

DECLARATION OF CONDOMINIUM
OF
SUNSWEEP CONDOMINIUM

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STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

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Henry Dilline
Judge of Probate
OE

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STATE OF ALABAMA

COUNTY OF BALDWIN

DECLARATION OF CONDOMINIUM
OF
SUNSWEPT CONDOMINIUM

THIS DECLARATION, made this ____ day of _____, 1982, by WATER VIEW DEVELOPMENTS, 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:

Commencing at the Northwest corner of Fractional Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama; run thence South 00 degrees 09 minutes 30 seconds West a distance of 611.72 feet to a point on the South line of Alabama Highway No. 182; run thence North 75 degrees 59 minutes East along the said South line a distance of 1524.0 feet to the point of beginning of the property herein described; continue thence North 75 degrees 59 minutes East along said South line a distance of 111.0 feet; run thence South a distance of 501.0 feet, more or less, to the margin of the Gulf of Mexico; run thence Southwestwardly along the margin of the Gulf of Mexico a distance of 111.0 feet, more or less; run thence North a distance of 505.0 feet, more or less, to the point of beginning.

WHEREAS, Developer intends to improve the property described above by constructing thereon thirty-one (31) units contained in one (1) building and a parking area, said building 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, Developer may improve the property described in Exhibit "B" attached hereto and made a part hereof by reference, by constructing thereon additional condominium units and common elements, which said land and improvements may be submitted to the condominium form of ownership and use by amendment or amendments to this Declaration in not less than one (1) additional phase; and

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

WHEREAS, it is the intent of Developer that should the property described on Exhibit "B" be submitted to the terms of this Declaration by amendment or amendments hereto, as hereinafter provided, such property shall be operated and administered as condominium property under the jurisdiction of this Declaration; and

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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" and/or "Limited 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 the property described above and the improvements to be constructed thereon (and, in the event that the property described on Exhibit "B" is submitted to the condominium form of ownership and use by amendment or amendments to this Declaration, said property and improvements 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); and to make provision for the future submission, by amendment or amendments to this Declaration, of the property described on Exhibit "B", and any improvements thereon constructed, to the condominium form of ownership and use in the manner provided for by said Act in the event that Developer determines to so submit said property.

2. NAME. The name by which this Condominium is to be known, whether it consists of one or more phases is Sunswept 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:

Commencing at the Northwest corner of Fractional Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama; run thence South 00 degrees 09 minutes 30 seconds West a distance of 611.72 feet to a point on the South line of Alabama Highway No. 182; run thence North 75 degrees 59 minutes East along the said South line a distance of 1524.0 feet to the point of beginning of the property herein described; continue thence North 75 degrees 59 minutes East along said South line a distance of 111.0 feet; run thence South a distance of 501.0 feet, more or less, to the margin of the Gulf of Mexico; run thence Southwestwardly along the margin of the Gulf of Mexico a distance of 111.0 feet, more or less; run thence North a distance of 505.0 feet, more or less, to the point of beginning.

3.2 The real property which may in the future be submitted to the condominium form of ownership by amendment or amendments to this Declaration is the parcel of real property lying and being in Baldwin County, Alabama, described on Exhibit "B" hereto.

3.3 The mailing address of the property is Star Route B, Box 1240, Orange Beach, Alabama 36561.

4. NAME AND ADDRESS OF PERSON TO RECEIVE SERVICE. The name and address of the person to receive service of process for the Condominium

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shall be Thomas G. Nonnenmacher, Star Route R, Box 1240, Orange Beach, Alabama 36561.

5. DEFINITIONS. The terms used in this Declaration of Condominium and in the Articles of Incorporation of Sunswept Condominium Association, Inc. and the By-Laws of Sunswept Condominium Association, Inc. 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 Sunswept Condominium Association, Inc. are attached hereto and made a part hereof as Exhibit "D".

Board - The Board of Directors of the Association.

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

Building - The building located or to be located on the property herein submitted to the condominium form of ownership and containing thirty-one (31) units and any future building submitted to the jurisdiction of this Condominium.

By-Laws - The By-Laws of the Association, attached hereto as Exhibit "E" 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 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 "C" 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, roofs, exterior corridors, stairways and entrances and exits, walkways, ramps, elevators, fire alarm systems, floors (excluding finishing materials) and exterior walls (excluding interior finishing materials) and ceilings (excluding interior finishing materials).

(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, gas, water, television cables and communication lines;

(d) All recreational areas 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 Limited Common Elements or 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:

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(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) 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;

(e) Liability and casualty insurance carried by the Association with respect to designated parts of the Condominium Property;

(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 thereto as the same from time to time may be amended. Said Exhibits are as follows:

Exhibit "A" - Plat of survey of land and building.

Exhibit "B" - Plat reflecting legal description of proposed future phases.

Exhibit "C" - Ownership of Common Elements.

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

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

Exhibit "F"- Rules and Regulations.

Exhibit "G" - Proposed Budget.

Exhibit "H" - Regulatory Agreement.

Developer - Water View Developments, 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 - All Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall

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include, but shall not be limited to, balcony areas only for a specific Unit; storage areas appurtenant to a specific Unit; as well as "air handlers", chimneys, pipes, ducts, electrical wiring and conduits located entirely within a Unit, or adjoining a Unit or Units, and serving only such Unit or Units; and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as may lie outside the Unit boundaries.

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 the subject of this Declaration and which is identified as Phase I on Exhibit "A" attached hereto and by this reference made a part hereof.

Future Phase - That certain parcel or tract of real estate described on Exhibit "B" attached hereto and by this reference made a part hereof, which may subsequently be added to and made a part of this Condominium Regime.

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

Plat - The plat of Survey of 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. The Plat contains a description of the Parcel, the location of the Buildings on the Parcel with the Buildings denoted by number and a description and location for each Unit.

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 structural components and surfacing materials of all interior walls located within the boundaries of the Unit;

(d) all bathtubs, toilets and sinks, the range, garbage disposal, 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.

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Unit - Each Unit 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 all Units is the upper surface of the concrete slab floor. The upper boundary of all Units is the interior surface of the ceiling material. In addition to the foregoing, those Units which are located upon the eighth (8th) and ninth (9th) floors, shall also include that portion of the area and air space within the vertical boundaries of such Units which connect the said eighth (8th) and ninth (9th) floors; such as the airspace within stairwells within such Units and open areas between such floors within such Units.

In addition, each Unit shall include the respective undivided interest in the Common Elements assigned thereto as reflected on Exhibit "C" attached hereto and incorporated herein by reference. Each Unit is numbered as shown on the Plat attached hereto as Exhibit "A". 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 SUNSWEPT CONDOMINIUM DEVELOPMENT PLAN.

6.1 The building and Units will be constructed by the Developer substantially in accordance with the Plans and Specifications attached hereto as 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 and Common 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, that except as provided in Paragraph 24.

hereof, no such amendment shall increase or decrease the number of Units without the prior written consent of all Unit Owners and holders of record of any liens thereon, nor alter the percentage of undivided interest of any Unit Owner or change any Unit without the prior written consent of the owner and holders of record of any liens of any such Unit.

6.3 The Buildings will be constructed of concrete, concrete block, steel and stucco exterior with an asphalt roof. The interior walls will be sheetrock or gypsum wallboard. A parking area containing approximately forty-seven (47) 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 range and oven unit, refrigerator, dishwasher, trash compactor and an in-sink garbage disposal. Each Unit is supplied with water, sewer, electricity and with separate heating, air conditioning 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 of any such Unit or Units so altered without compliance with Paragraph 26. 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 revoke violations therefrom, and to maintain, repair and replace the Common Elements contained therein or elsewhere in the Building.

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 tenable, 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 "Sunswept 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 Property. 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 maximum number of votes for all members of the Association shall be equal to the total number of square feet in the Private Elements within the Condominium and shall be divided among the respective Unit Owners on the basis of one (1) vote per square foot of Private Elements within the individual Unit.

11.1 DEVELOPER'S RIGHT TO APPOINT DIRECTORS. Until such time as the Developer has completed and conveyed seventy (70%) percent of the Units located on the Property, 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.

In the event Developer, pursuant to Paragraph 24., files an amendment or amendments to this Declaration submitting to the provisions hereof the Property described on Exhibit "B", then, for each such amendment, from the time of the filing of such amendment until Developer has completed and conveyed seventy (70%) percent of the Units located upon such additional property, 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; however, and notwithstanding the foregoing, Developer's right to appoint Directors for the Association shall terminate five (5) years from the date of recording this Declaration if not sooner terminated as herein provided.

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 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 Units to the extent the Board deems it advisable to provide such services for all or any portion of the Unit Owners. 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 thirty (30) days notice.

11.4 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 "C" 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 the Limited Common Elements) 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. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited 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 "F" 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. 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.

15. COMMON EXPENSES. Each Unit Owner, including the Developer, shall pay his proportionate share of the common expenses, subject, however, to the terms and provisions of Subparagraph 15.1 below. The proportionate share of the common expenses due by a Unit Owner shall be in accordance with that Unit's percentage sharing of the common expenses for the Common Elements as set forth in Exhibit "C". 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 Articles of Incorporation of the Association. 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 Limited 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.

15.1 OWNER'S LIABILITY FOR AND DEVELOPER'S GUARANTEE RELATING TO COMMON EXPENSES DURING FIRST YEAR. The Budget sets forth and describes for each Unit within the Parcel and for each proposed Unit within any Future Phase an amount designated therein as the "Monthly Assessment". Notwithstanding anything contained in this Declaration to the contrary (including, but without limitation, the terms and provisions of Paragraph 15. above), for a period (hereinafter referred to as the "Initial Period") of one (1) year from and after the first (1st) day of the calendar month next following the date of recording of this Declaration, each Unit Owner shall pay and be responsible for monthly, and his proportionate share of the common expenses shall be deemed to be, his respective Monthly Assessment, notwithstanding the fact that his proportionate share of the actual common expenses during the Initial Period may be greater or less than his respective Monthly Assessment. If the total Monthly Assessments payable during the Initial Period are greater than the actual common expenses incurred during the Initial Period, such excess shall be thereafter used as the Board may prescribe. However, if the total Monthly Assessments payable during the Initial Period are less than the actual common expenses incurred during the Initial Period, such deficiency shall be paid solely by Developer, it being agreed that Developer hereby guarantees the payment of all common expenses for the Initial Period which may be in excess of the total Monthly Assessments payable during such period.

15.2 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 fifteen (115%) percent of the common expenses for the preceding year unless the same is approved by a majority of the Unit Owners.

15.3 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 but charged to the Association. Because of requirements by Baldwin County Sewer Authority, Inc. in providing sewer service to the Property and because of requirements by Orange Beach Water and Sewer Authority, Inc. in providing water service to the Property, the charges for such services shall be charged to the Association and the Association shall assess same to the respective Unit Owners in accordance with the formula adopted by the Board of Directors for the Association.

15.4 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 Board and shall be for the common benefit of all Unit Owners. The Board, acting on behalf of the Unit Owners, shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

15.5 MORTGAGE 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 15.5 shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees of record.

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 or decoration of the Limited Common Elements by the Unit Owners, 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 the

Units, 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, Units 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 is 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

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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.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the contents of the Limited Common Elements serving his Unit, as well as his decorations, furnishings, interior and non-supporting walls, 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. At the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacements within the Limited Common elements to arrange for such maintenance of, repairs to and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanic's or materialmen's lien claims that may arise therefrom. However, maintenance of windows (excluding frames) and doors will be the sole responsibility of the respective Unit Owners whose Unit enjoys the use of the said windows and doors.

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.

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 acquisition 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 of the Common Elements. In addition, a working capital fund must be established for the initial months of the condominium operations equal to at least two (2) months estimated administrative costs to be incurred by the Board in the operation of the Condominium for each Unit. 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 and Department of Housing and Urban Development, Federal National Mortgage Association and Veterans Administration, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with

maintenance of, repairs or replacements within the Common Elements or Limited Common Elements of any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited 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 and Limited Common Elements serving his 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 other than of Limited Common Elements) 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 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. 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, customer, 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 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, 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 or similar items shall not be permitted;

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

(m) Except within individual Units, no planting, transplanting or gardening shall be done and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board;

(n) 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 nuisances shall be allowed upon the Condominium Property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Elements which will increase the premium rate of casualty or liability insurance upon those portions of the Condominium Property insured by the Association, except with the express approval of the Association.

(p) 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;

(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 Board 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

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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. ADDITIONS OF FUTURE PHASES. Developer annexes hereto as Exhibit "B" the legal description of certain other real estate ("Future Phase") owned by Developer. Developer may construct on said real property in one additional phase on or before five (5) years from the date of recordation of this Declaration, a maximum of thirty-two (32) additional residential Units. By this Declaration, Developer does not submit such Future Phase to the provisions of this Declaration. However, if and when Developer should construct any such additional Units, Developer shall have the right to add same to the Property and submit the same to the provisions of this Declaration upon the following terms and conditions:

(a) Any such addition shall be made by, and shall become effective upon, Developer filing in the Probate Court Records of Baldwin County, Alabama, a supplemental declaration (hereinafter referred to as the "Supplemental Declaration"). No other formality or instrument shall be required. The Supplemental Declaration shall not require the joinder or consent of the Board, the Association, any Unit Owner, or any other third parties; provided, however, the Supplemental Declaration shall require the joinder of the Veterans Administration of the United States of America or Department of Housing and Urban Development or Federal National Mortgage Association if such joinder is required by any of said agencies.

(b) Any improvements which may be erected in the Future Phase will be compatible with the existing improvements in terms of architectural style, quality of construction, principal materials employed in construction and size;

(c) If Developer adds the Future Phase, then the percentage of ownership in the Common Elements allocated to each respective Unit shall change and shall be as described in Exhibit "C" attached hereto and by this reference made a part hereof. Each respective Unit Owner's percentage sharing of the common expenses will change, and will decrease generally as each successive phase is added due to an increase in the operating base as shown on Exhibit "C". Each respective Unit Owner's voting rights will remain as one (1) vote per square foot of Private Elements within each individual Unit with the aggregate number of votes

equaling the total number of square feet in the Private Elements in the Condominium existing at the time such voting rights are exercised; and

(d) All covenants in the Condominium Declaration affecting use, occupancy and alienation of Units will apply to Units created within the additional parcel of immovable property which may be later added to the Condominium Regime;

(e) The Supplemental Declaration may contain such further provisions as Developer deems necessary to the Property and to effectively add a Future Phase to the Property; and

(f) Anything herein to the contrary notwithstanding, Developer does not hereby commit itself to submit the Property described in Exhibit "B", in whole or in part, to the condominium form of ownership and use under the terms of this Declaration and, unless submitted to the terms of this Declaration under the terms of this Paragraph 24., Developer shall have the right to develop any portion of said Property in any manner and to any extent Developer sees fit, or to decline to develop said Property entirely.

25. SALES AND OTHER TRANSFERS.

25.1 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 25. 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.

25.2 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;

25.3 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

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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.

26. 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; provided further, however, the provisions of Paragraph 24. hereof may not be changed, modified or rescinded without the prior written consent of Developer. Except as expressly provided in Paragraph 24. above, 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.

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, then, in that event, such consent or agreement shall be in writing and 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 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.

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.

27. 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, the By-Laws of the Association, and shall be subject to the terms of the Regulatory Agreement executed by the Association and the Secretary of Housing and Urban Development, which Agreement is made a part hereof and is attached hereto as Exhibit "H". 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.

28. PRIOR MORTGAGE APPROVAL. The prior written approval of each institutional holder 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:

28.1 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;

28.2 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 project; and

28.3 The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.

29. LEASES. With the exception of a lender in possession of a Condominium Unit following a default in a first Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Owner may lease less than the entire Unit. No Unit may be leased or rented for a period of less than thirty (30) days. 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 and the By-Laws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

30. MORTGAGEE RIGHTS. Any institutional holder of a First Mortgage on a Unit in the Project will, upon request, be entitled to:

(a) Inspect the books and records of the Project during normal business hours;

(b) Receive an annual audited financial statement of the Project within ninety (90) days following the end of any fiscal year of the Project; and

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

31. DAMAGE OR DESTRUCTION. In the event of a substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holder of any first Mortgage on a Unit will be entitled to timely written notice of any such damage or destruction.

32. 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 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 General Common Elements to be applied or paid as set forth in the attached Exhibit "C", 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 General Common Elements so taken or damaged. In the event it is

determined that the General 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 domain proceeding results in the taking or damage to one or more, but less than sixty-seven (67%) percent of the total number of Condominium 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 Condominium 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 Project, 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 Condominium Units and the damaged Units which can be made tenantable, then the Condominium Project 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 General Common Elements.

(d) In the event the Association determines it will be reasonably practical to operate the undamaged Condominium Units and the damaged Units which can be made tenantable as a Condominium 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 Condominium 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 Condominium Units which are tenantable. With respect to those Units which may not be tenantable, the award made shall be paid as set forth in Exhibit "C" of the Declaration hereof, and the remaining portion of such Units, if any, shall become a part of the General Common Elements. Upon payment of such award for the account of such Owner as provided herein, such Condominium Unit shall no longer be a part of the Condominium Project, and the percentage ownership interest in the General Common Elements appurtenant to each remaining Condominium Unit which shall continue as a part of the Condominium Project shall be equitably adjusted to distribute the ownership of the undivided interest in the General 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 Project is taken, or sixty-seven (67%) percent or more of the Condominium 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 General Common Elements; and this Corporation Regime shall terminate upon such payment. Upon such termination, the Condominium Units and General 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 General 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.

33. MANAGEMENT AGREEMENT. Any management agreement for the Project will be terminated by the Owners Association for cause upon thirty (30) days written notice thereof by a vote of not less than a majority of the individual Unit Owners other than the Developer within a one (1) year period immediately following the date on which individual Unit Owners, other than the Developer, assume or acquire control of the Association and shall further be terminable without cause by a vote of

not less than the majority of the individual Unit Owners, other than the Developer, within a thirty (30) day period immediately following the date on which the individual Unit Owners, other than the Developer, assume or acquire control of the Association 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.

34. UNIT OWNER DEFAULT. The Owners Association shall, upon written notice, give the holders of first Mortgages prompt notice in the event of a default in the Unit Mortgagor's obligations under the Condominium documents which is not cured within thirty (30) days of default.

35. FIDELITY COVERAGE. 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.

36. NOTICES. Notices provided for in the Act, Declaration 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 Star Route B, Box 1240, Orange Beach, Alabama 36561, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to the, respectively, by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States Mail with postage prepaid or when delivered in person.

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.

37. SEVERABILITY. If any provision of the Declaration or By-Laws 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 the By-Laws 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 or the By-Laws shall be construed as if such invalid part was never included therein.

38. SPECIAL AMENDMENTS. 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.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed on its behalf by Thomas G. Nonnenmacher, as its President and its corporate seal to be affixed and attested, all duly authorized on the day and year first set forth above.


WATER VIEW DEVELOPMENTS, INC.

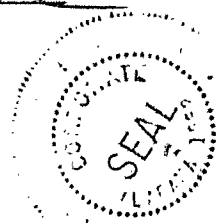
(CORPORATE SEAL)

By: 

THOMAS G. NONNENMACHER,
President

ATTEST:

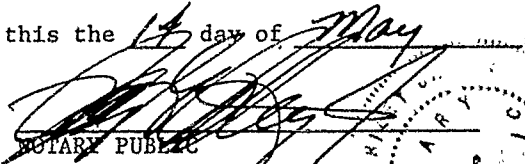

PAUL BLANTON,
Secretary-Treasurer

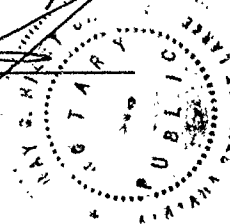


STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for said State and County, hereby certify that THOMAS G. NONNENMACHER and PAUL BLANTON, whose names as President and Secretary-Treasurer, respectively, of WATER VIEW DEVELOPMENTS, INC., an Alabama corporation, 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 corporation on the day the same bears date.

GIVEN under my hand and seal this the 14 day of May, 1982.


NOTARY PUBLIC



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

MSC. 41 PAGE 1766

JOINDER BY MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLAR and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the undersigned FARMERS & MERCHANTS BANK, FOLEY, ALABAMA, a state banking corporation, as holder and owner of a Mortgage which encumbers the herein described property does hereby SUBORDINATE its said mortgage lien and agrees and consents to the submission of the herein described property to the condominium form of ownership pursuant to Sections 35-8-1, et seq., of the Code of Alabama, 1975; however, this instrument shall not be construed as a release of the above described Mortgage.

FARMERS & MERCHANTS BANK, FOLEY, ALABAMA,
a state banking corporation

By: [Signature]

As Its: Vice President

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for said State and County, hereby certify that Ed A. Polston whose name as Vice President of FARMERS & MERCHANTS BANK, FOLEY, ALABAMA, a state banking 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said state banking corporation.

DATED this the 14th day of May, 1982.

[Signature]
NOTARY PUBLIC

My Commission Expires
October 22, 1984

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

MSJ. 44 PAGE 1767

JOINDER BY MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLAR and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the undersigned THE FIRST NATIONAL BANK OF MOBILE, a national banking association, as holder and owner of a vendor's lien which encumbers the herein described property does hereby SUBORDINATE its said vendor's lien and agrees and consents to the submission of the herein described property to the condominium form of ownership pursuant to Sections 35-8-1, et seq., of the Code of Alabama, 1975; however, this instrument shall not be construed as a release of the above described Mortgage.

THE FIRST NATIONAL BANK OF MOBILE

By: AL SEIBT
AL SEIBT, ^{SENIOR} Vice President

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said State and County, hereby certify that AL SEIBT whose name as ^{SENIOR} Vice President of THE FIRST NATIONAL BANK OF MOBILE, a national banking association, 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said national banking association.

DATED this the 18th day of May, 1982.

Quare L. Keller
NOTARY PUBLIC

My Commission Expires 10/24/83

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



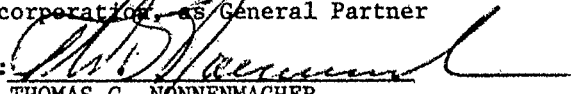
MSC-44 PAGE 1768

JOINDER BY MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLAR and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the undersigned LANI KAI, LTD., a limited partnership, as holder and owner of a vendor's lien which encumbers the herein described property does hereby SUBORDINATE its said vendor's lien and agrees and consents to the submission of the herein described property to the condominium form of ownership pursuant to Sections 35-8-1, et seq., of the Code of Alabama, 1975; however, this instrument shall not be construed as a release of the above described Mortgage.

LANI KAI, LTD.,
a limited partnership

By: K. STONE & CO., INC.,
a corporation, as General Partner

By: 
THOMAS G. NONNENMACHER,
President

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said State and County, hereby certify that THOMAS G. NONNENMACHER, whose name as President of K. STONE & CO., INC., a corporation, General Partner of LANI KAI, LTD., a limited partnership, 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 the instrument, he, as such officer of said General Partner and with full authority, executed the same voluntarily for and as the act of said corporation, acting in its capacity as General Partner of said Limited Partnership.

DATED this the 14th day of May, 1987.


NOTARY PUBLIC

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



MSC. 41 PAGE 1769

| | | | |
|-----------|-----------|-----------|-----------|
| UNIT 805 | UNIT 806 | UNIT 807 | UNIT 808 |
| 1030 S.F. | 1400 S.F. | 1400 S.F. | 1875 S.F. |
| UNIT 705 | UNIT 706 | UNIT 707 | UNIT 708 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 605 | UNIT 606 | UNIT 607 | UNIT 608 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 505 | UNIT 506 | UNIT 507 | UNIT 508 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 405 | UNIT 406 | UNIT 407 | UNIT 408 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 305 | UNIT 306 | UNIT 307 | UNIT 308 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 205 | UNIT 206 | UNIT 207 | UNIT 208 |
| 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| | UNIT 106 | UNIT 107 | UNIT 108 |
| | 950 S.F. | 950 S.F. | 1250 S.F. |

MSC. 41 PAGE 1720

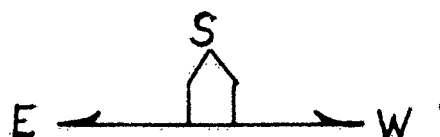


EXHIBIT "A", PAGE 1
FRONT ELEVATION

UNIT NUMBER IDENTIFICATION/NO. OF SQUARE FEET OF PRIVATE ELEMENTS

PHASE I ONLY - 31 UNITS

LEGEND

COMMON ELEMENTS - A part or parts of the Condominium Property in which all of the Unit Owners have an undivided interest. 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 and, without limitation of the foregoing, shall include the following:

(a) All foundations, bearing walls, columns, roofs, exterior corridors, stairways and entrances and exits, walkways, ramps, elevators, fire alarm systems, floors (excluding finishing materials), and exterior walls (excluding interior finishing materials).

(b) All yards, gardens, lawn areas and landscaping;

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

(d) All recreational areas 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 Limited Common Elements or Private Elements.

LIMITED COMMON ELEMENTS - All Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include, but shall not be limited to, assigned parking spaces and balcony areas only for a specific Unit; storage areas appurtenant to a specific Unit; as well as "air handlers", chimneys, pipes, ducts, electrical wiring and conduits located entirely within a Unit, or adjoining a Unit or Units, and serving only such Unit or Units; and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as may lie outside the Unit boundaries.

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

(a) the airspace 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 or ceiling;

(c) the structural components and surfacing materials of all interior walls located within the boundaries of the Unit;

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

UNIT - Each Unit 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 all Units is the upper surface of the concrete slab floor. The upper boundary of all Units is the interior surface of the ceiling material. In addition to the foregoing, those Units which are located upon the eighth (8th) and ninth (9th) floors, shall also include that portion of the area and air space within the vertical boundaries of such Units which connect the said eighth (8th) and ninth (9th) floors; such as, the air space within stairwells within such Units and open areas between such floors within such Units.

In addition, each Unit shall include the respective undivided interest in the Common Elements assigned thereto. 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.

WV COR. - FIDUC. SEC. 17
T45° 12.5 E

S60° 09' 30" W
611.72'

ALABAMA HIGHWAY NO. 182
N75° 52' E

1524.0'



PARCEL

NORTH 1 SOUTH

NORTH 2 SOUTH

NORTH - SOUTH

N75° 52' E
1111.11'

GULF OF MEXICO

1"=100'

STATE OF ALABAMA
COUNTY OF BALDWIN

MSC. 41 PAGE 1773

I, David M. Givens, a registered surveyor of the State of Alabama hereby certify that the foregoing is a true and correct map of the following described property to wit:

PARCEL 'A'

Commencing at the Northwest corner of Fractional Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama; run thence South 00°09'30" West a distance of 611.72 feet to a point on the South line of Alabama Highway No. 182; run thence North 75°59' East along the said South line a distance of 1524.0 feet to the point of beginning of the property herein described; continue thence North 75°59' East along said South line a distance of 111.0 feet; run thence South a distance of 501 feet more or less to the margin of the Gulf of Mexico; run thence Southwestwardly along the margin of the Gulf of Mexico a distance of 111 feet more or less; run thence North a distance of 505 feet more or less to the point of beginning.

This the 20th day of April, 1982.

GIVENS SURVEYING & ENGINEERING CO., INC.
Foley, Alabama

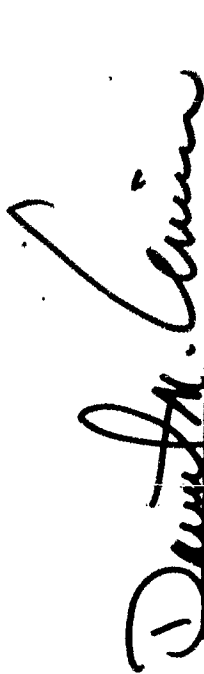

Alabama Registration No. 10367

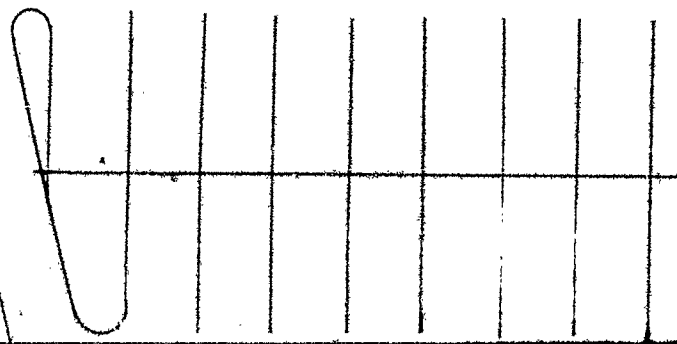
EXHIBIT "A" page 3

MSC. 41 PAGE 1779 LADENCE, NTC
4-28-82 Dugli

NORTH HWT. 182 - 120 E. 0.12.

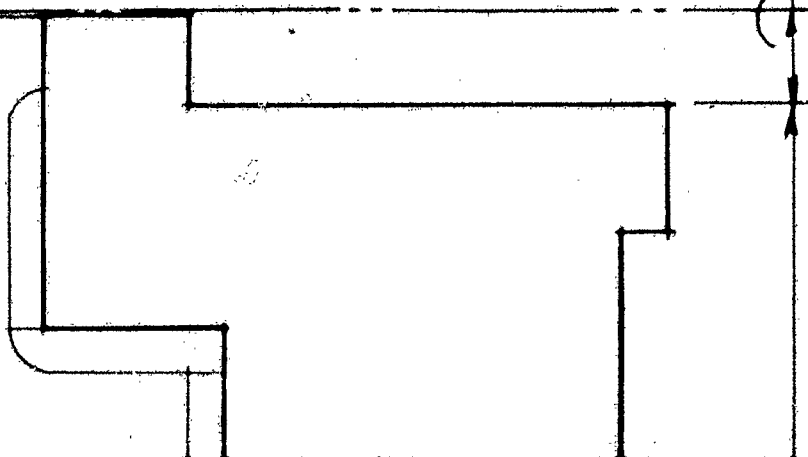
NORTH 75° 51' E 200'

ON E



MISC. 41 PAGE 1776

10-5#1



GULF OF
MEXICO

PARCEL A

PROPERTY

10' UTILITY
EASEMENT

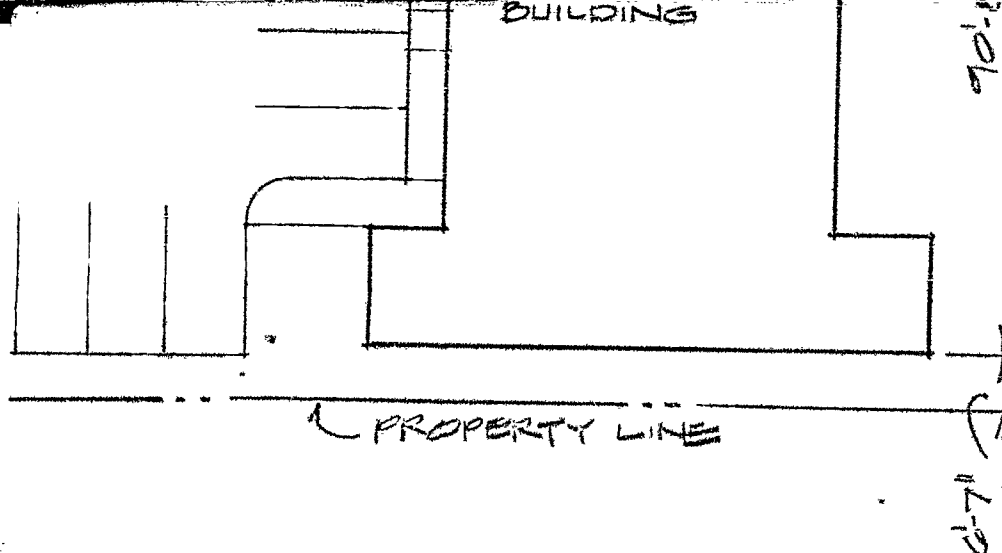
NORTH



STATE OF ALABAMA
BALDWIN COUNTY
I certify that this

MAY 2

and that no tax was
Book _____
Page _____



APPROX.
LOCATION
OF POOL AREA

NORTH EDD ±

LEGAL DESC

S I T E P L A N SCALE 1" = 20.0"

PARCEL 'A'

Commencing at the Northwest corner of Parcel 'A', Baldwin County, Alabama; run thence East, Baldwin County, Alabama; run thence to a point on the South line of Alabama; along the said South line a distance of property herein described; continue then distance of 111.0 feet; run thence South margin of the Gulf of Mexico; run thence of Mexico a distance of 111 feet more or more or less to the point of beginning.

APPARENT HIGH
TIDE LINE

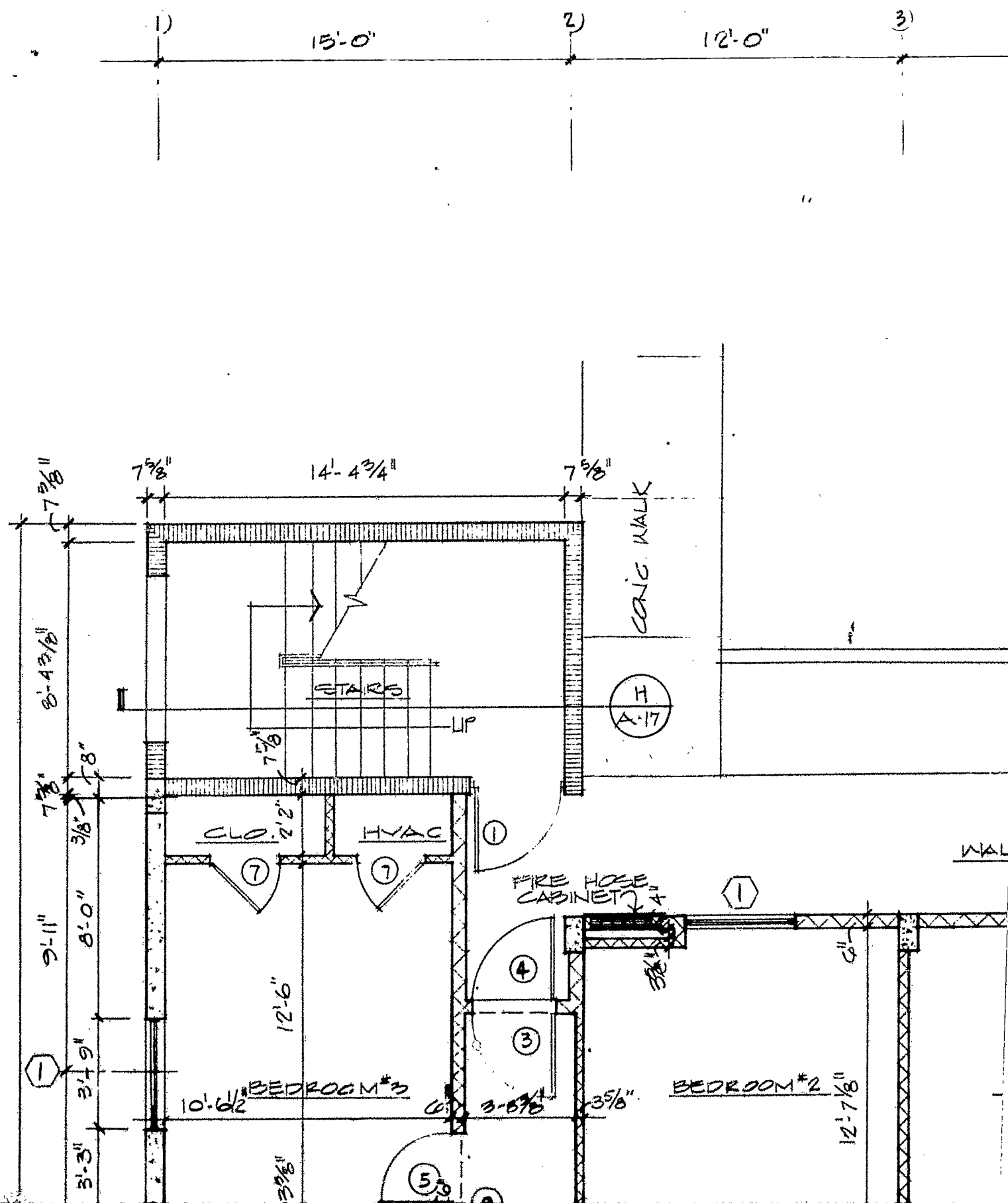
DESCRIPTION

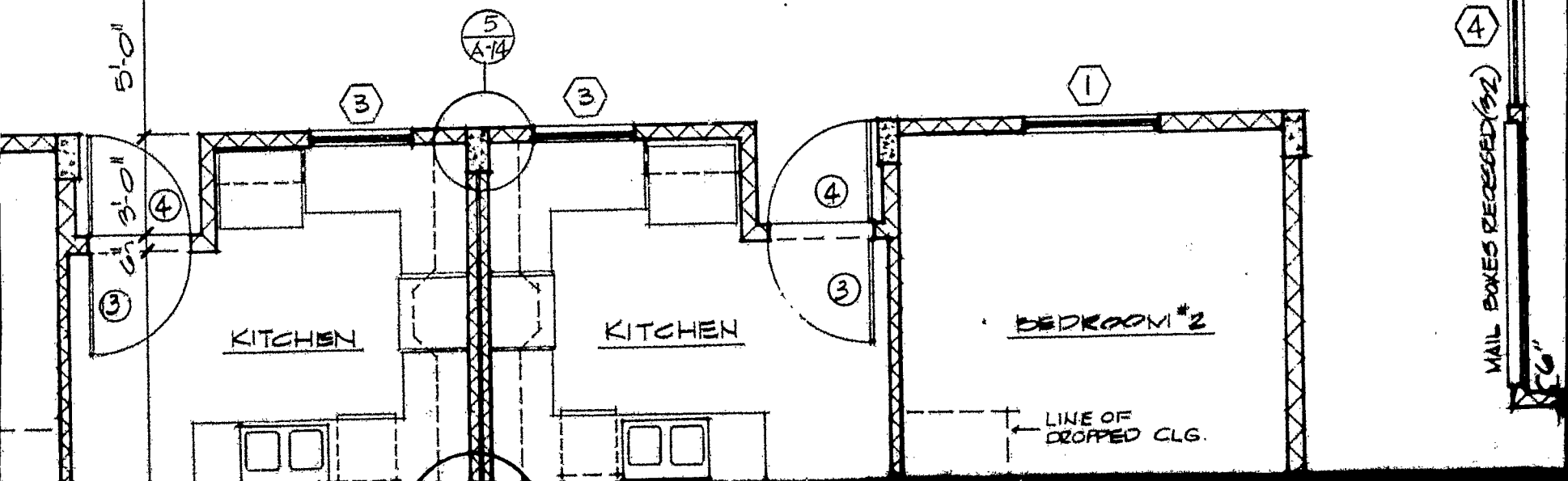
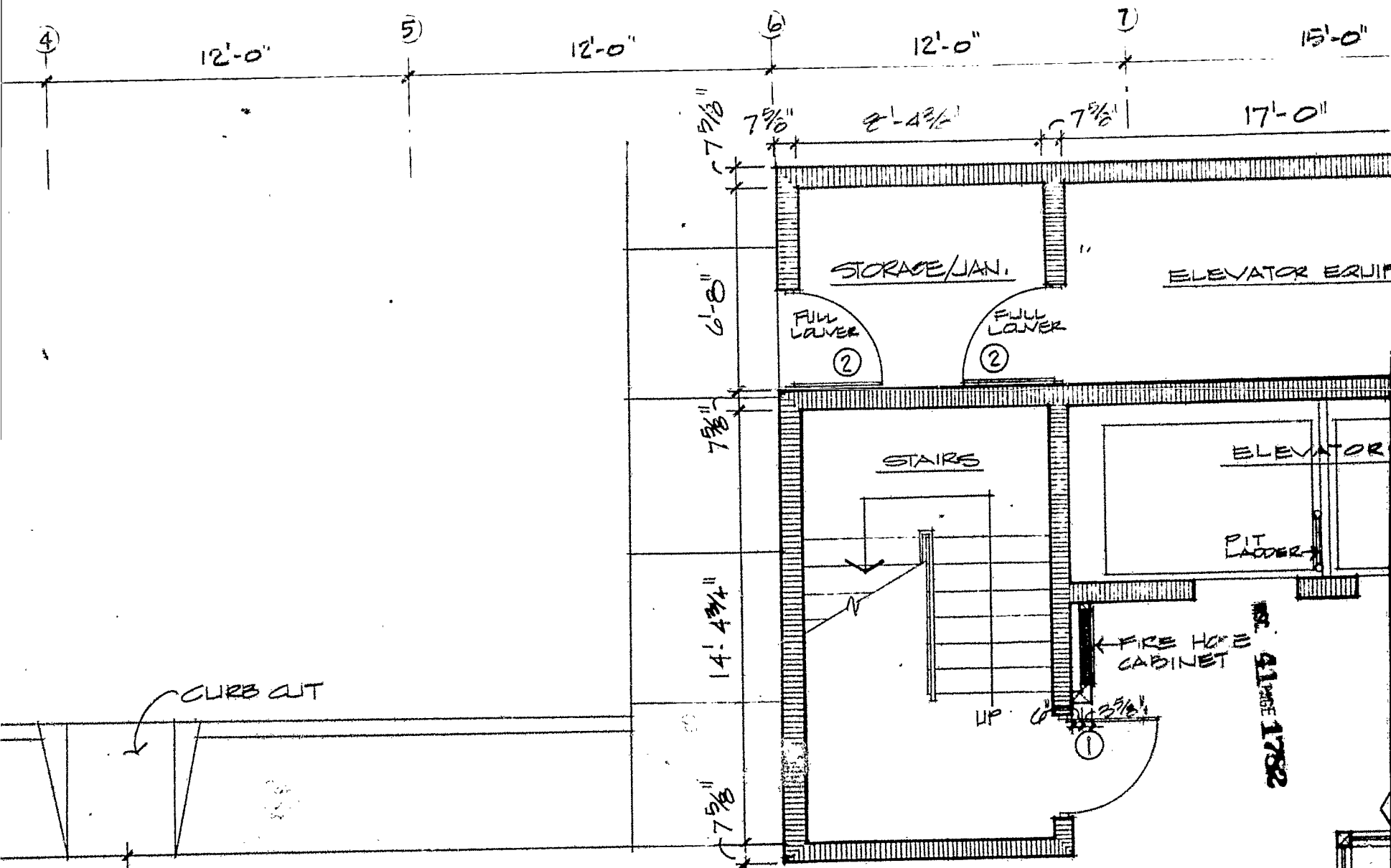
Sectional Section 17, Township 9 South, Range 5
South $00^{\circ}09'30''$ West a distance of 611.72 feet
Highway No. 182; run thence North $75^{\circ}59'$ East
524.0 feet to the point of beginning of the
line North $75^{\circ}59'$ East along said South line a
distance of 501 feet more or less to the
Southwestwardly along the margin of the Gulf
less; run thence North a distance of 505 feet

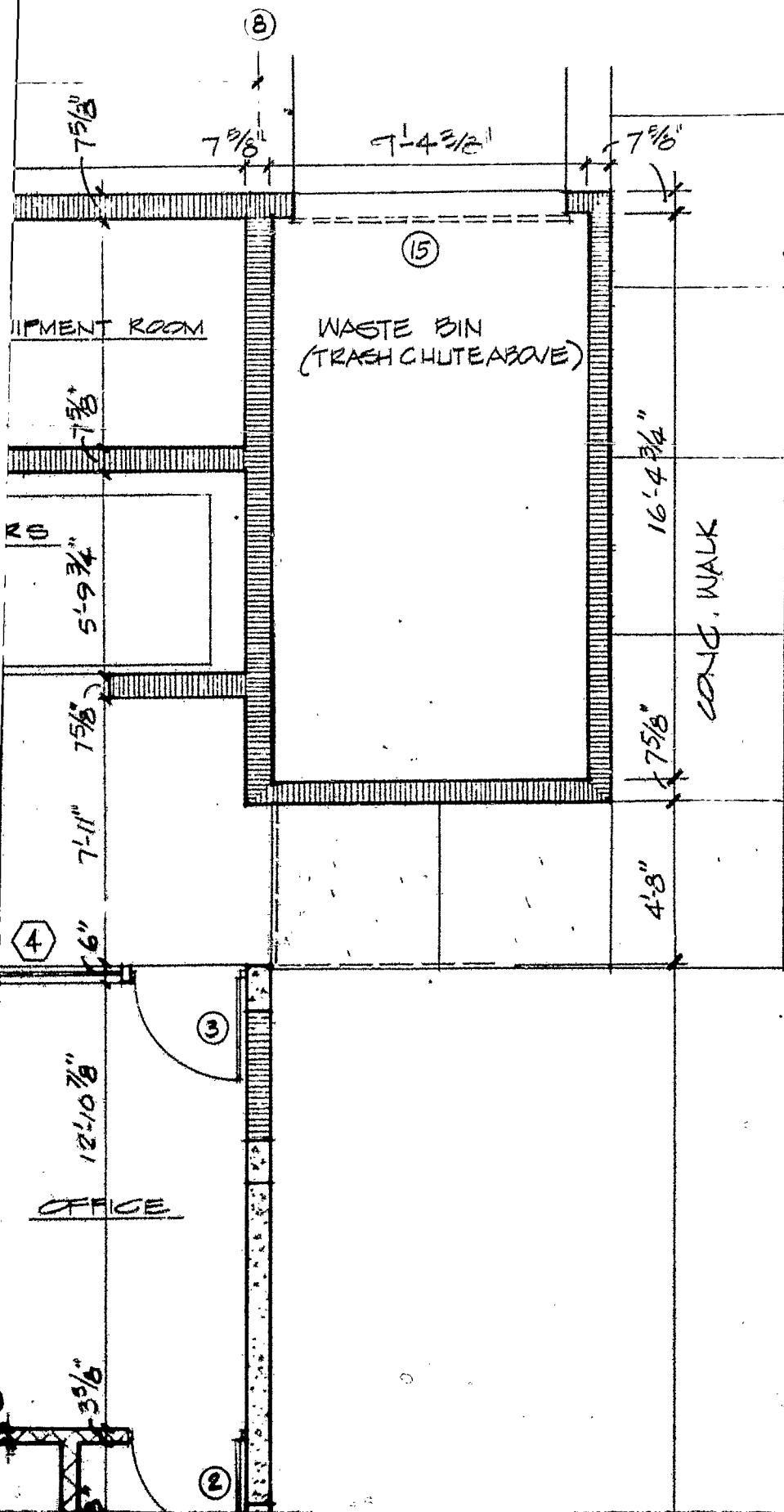
SUNSHINE CONDOMINIUMS
ROMAR BEACH, ALABAMA

EXHIBIT "A" PAGE 4

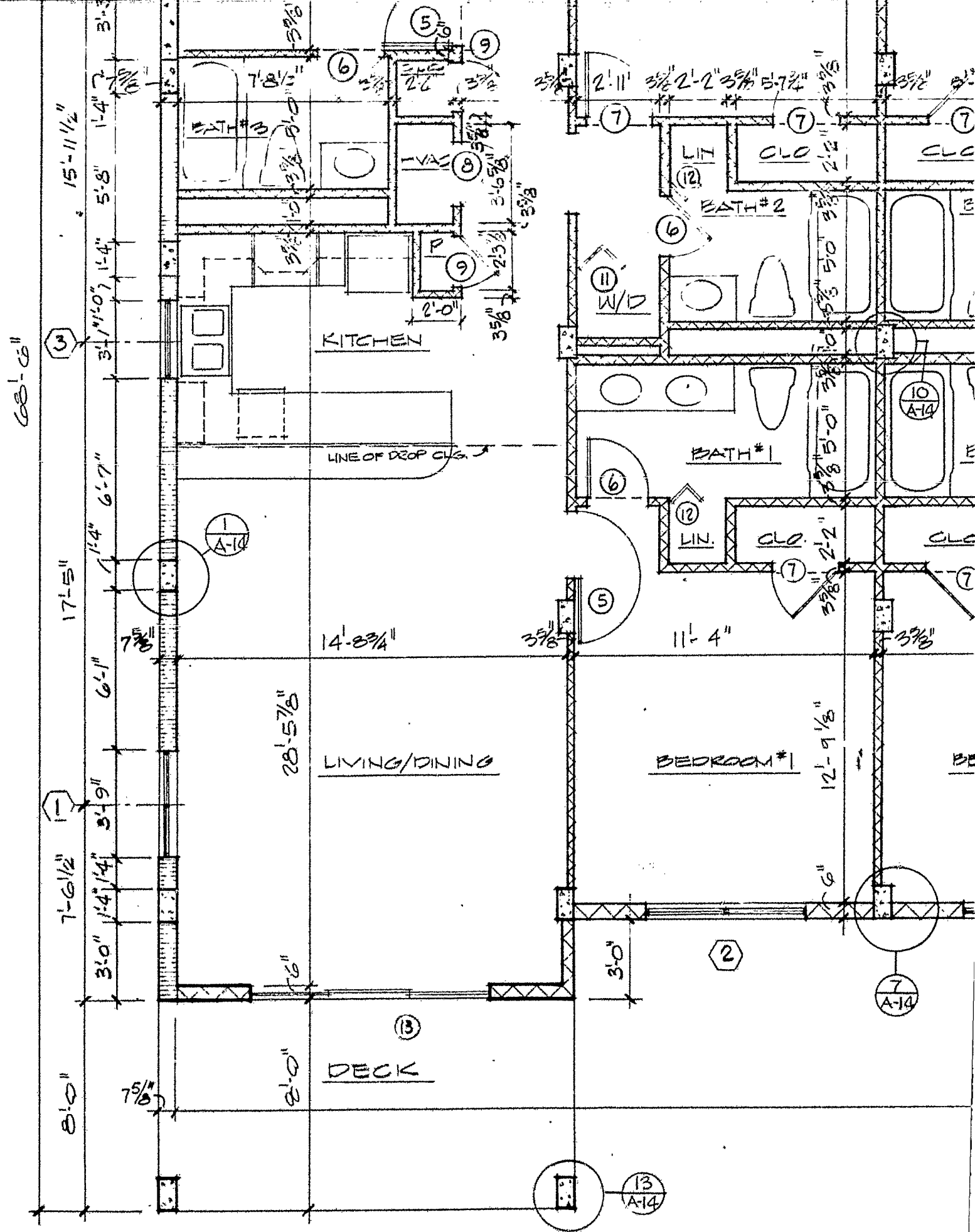
JOE W. ANSPACHER - ARCHITECT
PENSACOLA, FLORIDA

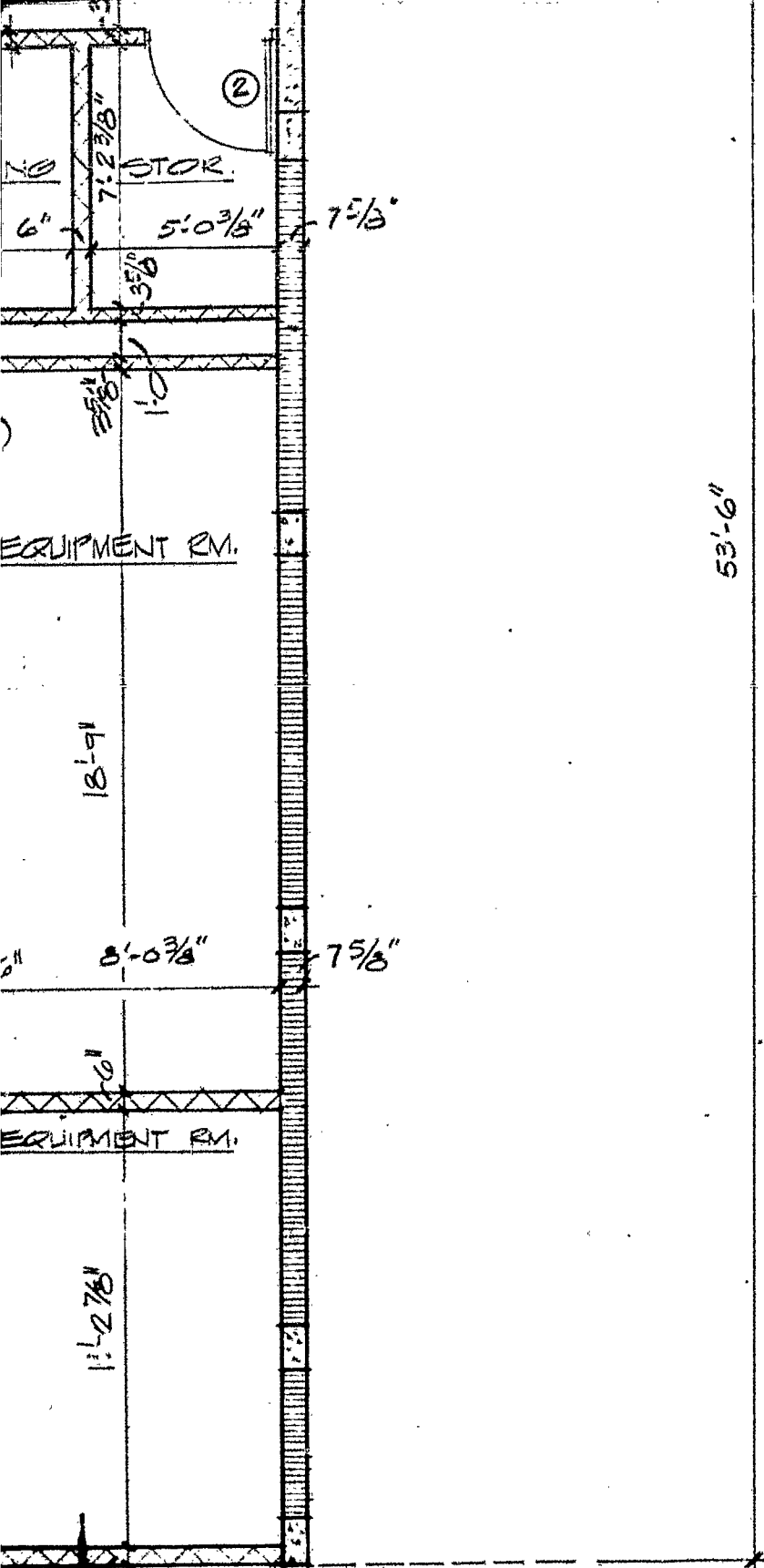






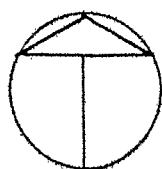
JOE W. AMSPACHER - ARCHITECT
 1901 NORTH NINTH AVE.
 PENSACOLA, FLORIDA 32503
 A.C. 904 434-0123 MARCH 15, 1982





53'-6"

SECOND PHASE

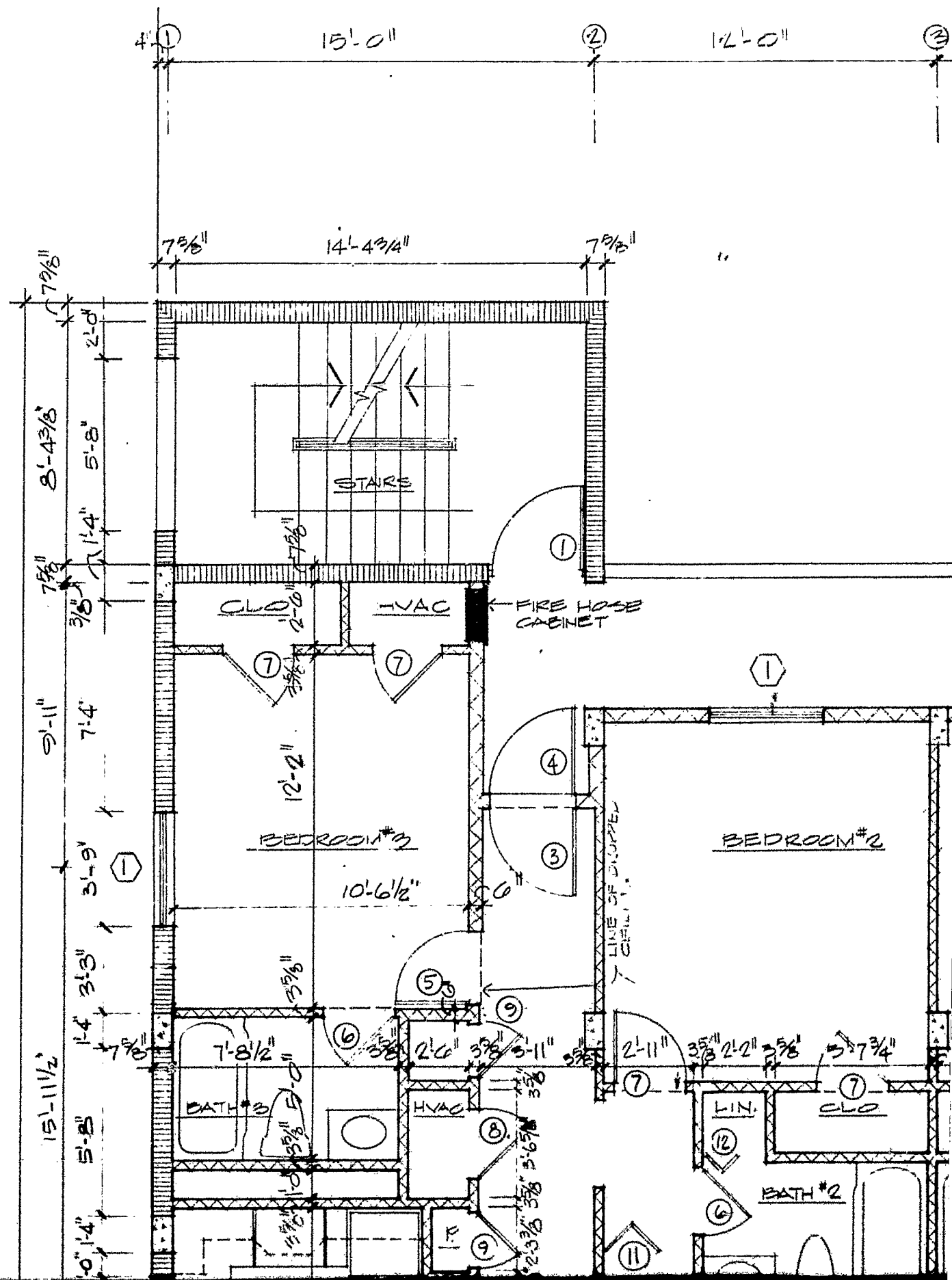


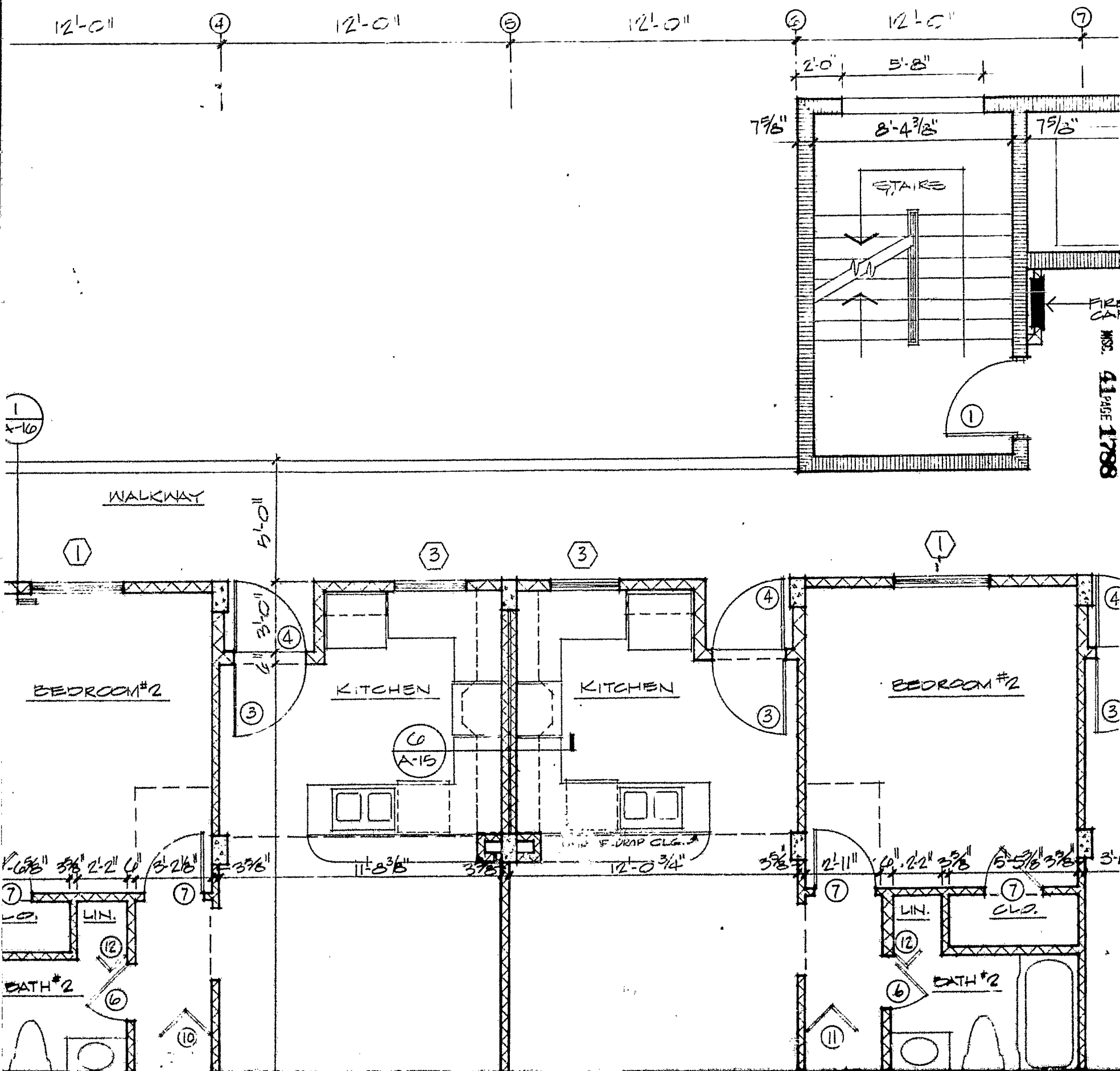
NORTH

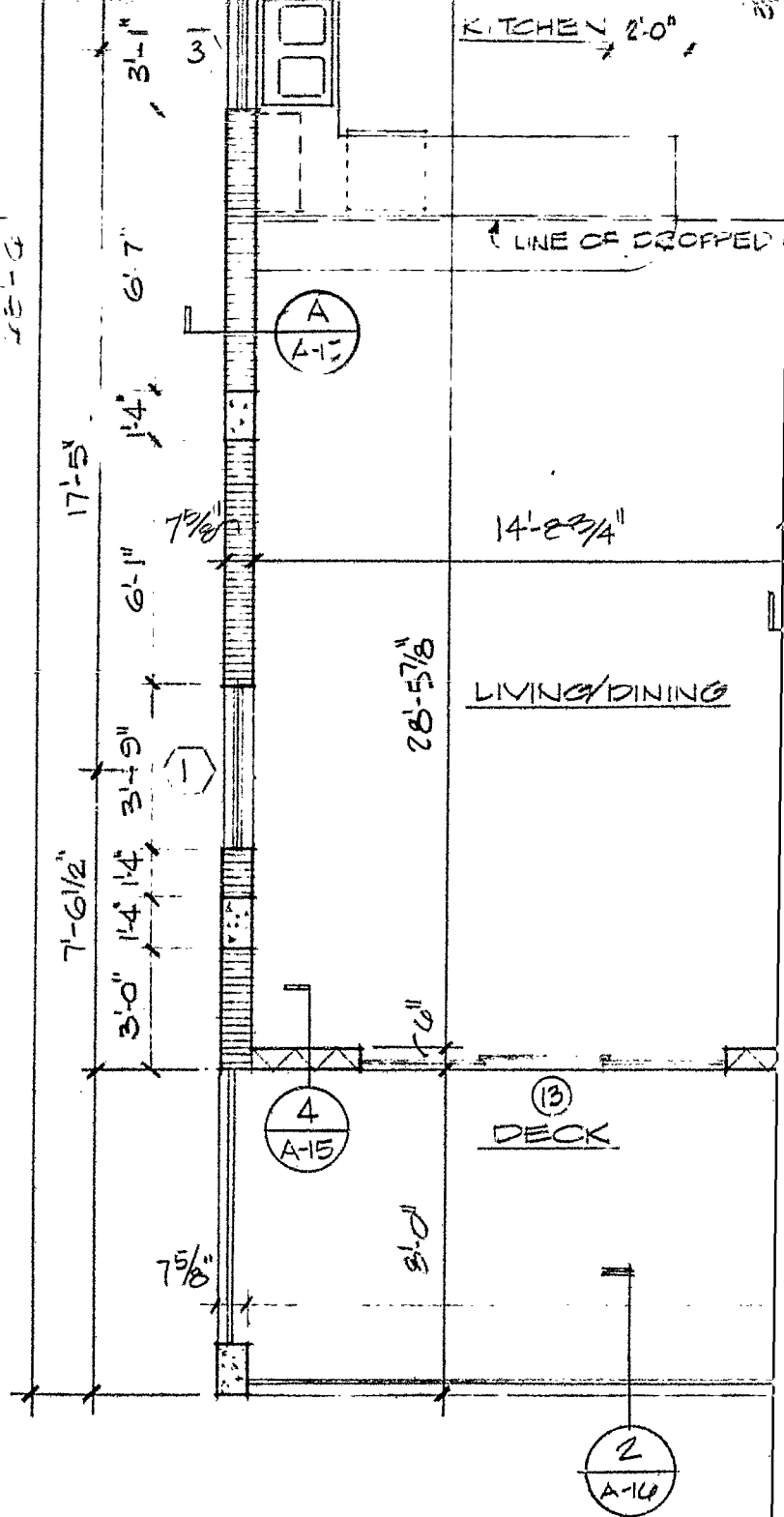
SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

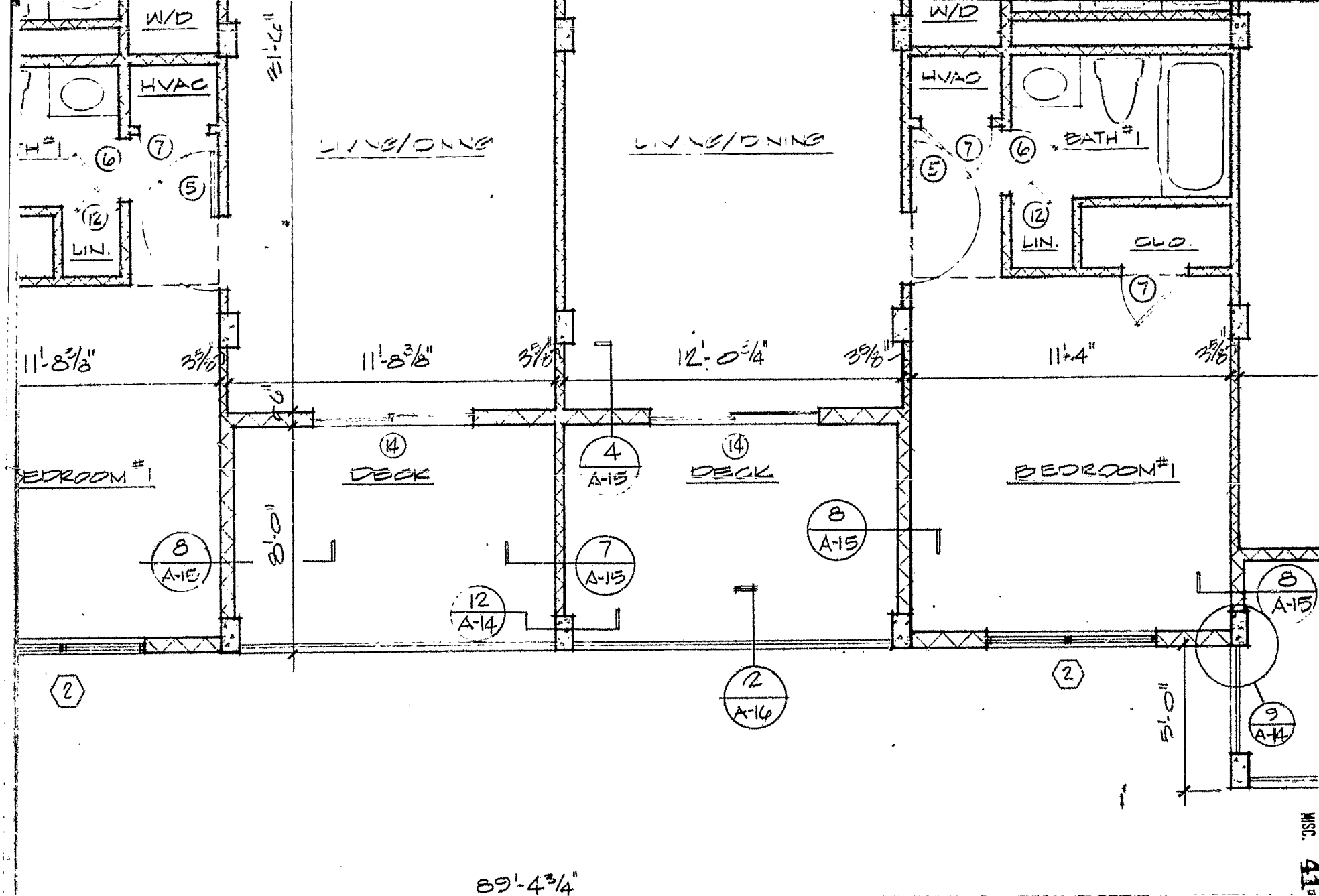
SHEET
A-2
OF 60

EXHIBIT "A" page 5









SECOND THROUGH SEVENTH FLOOR PL.

SCALE: 1/4" = 1'-0"

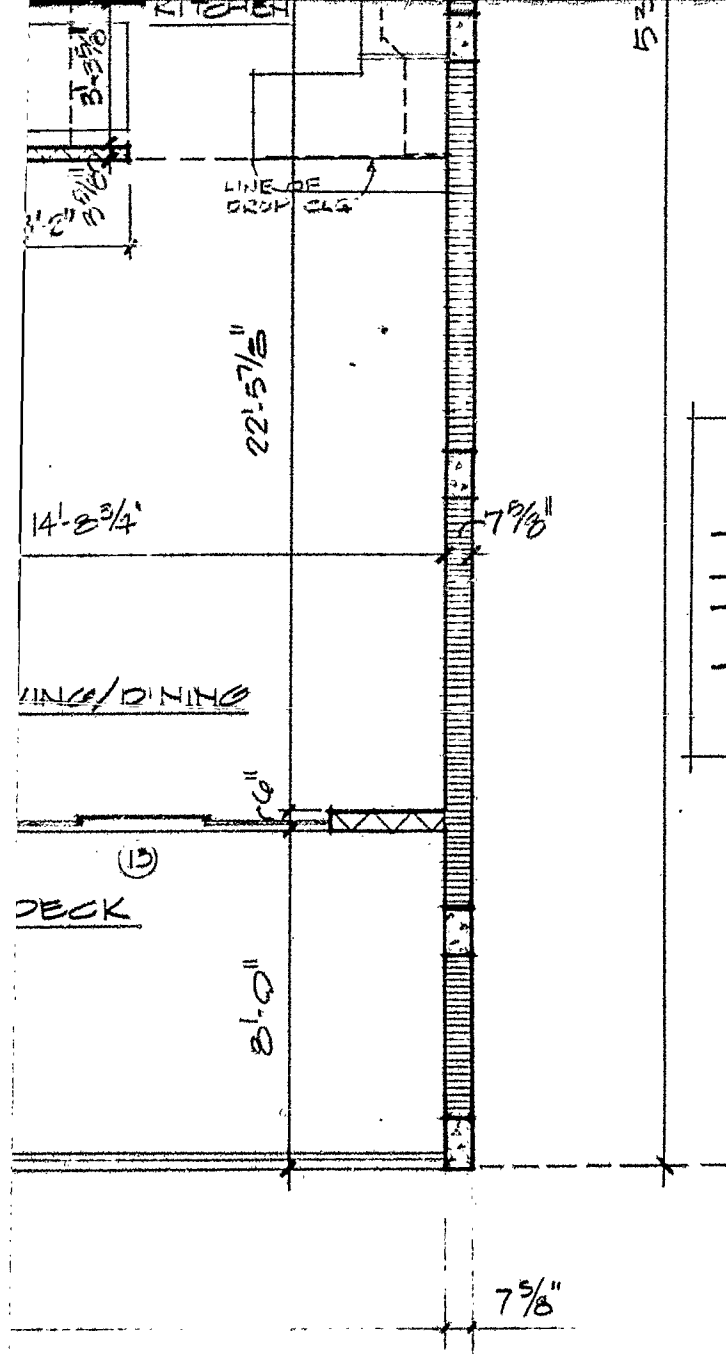
SHEET
A-3
OF 60

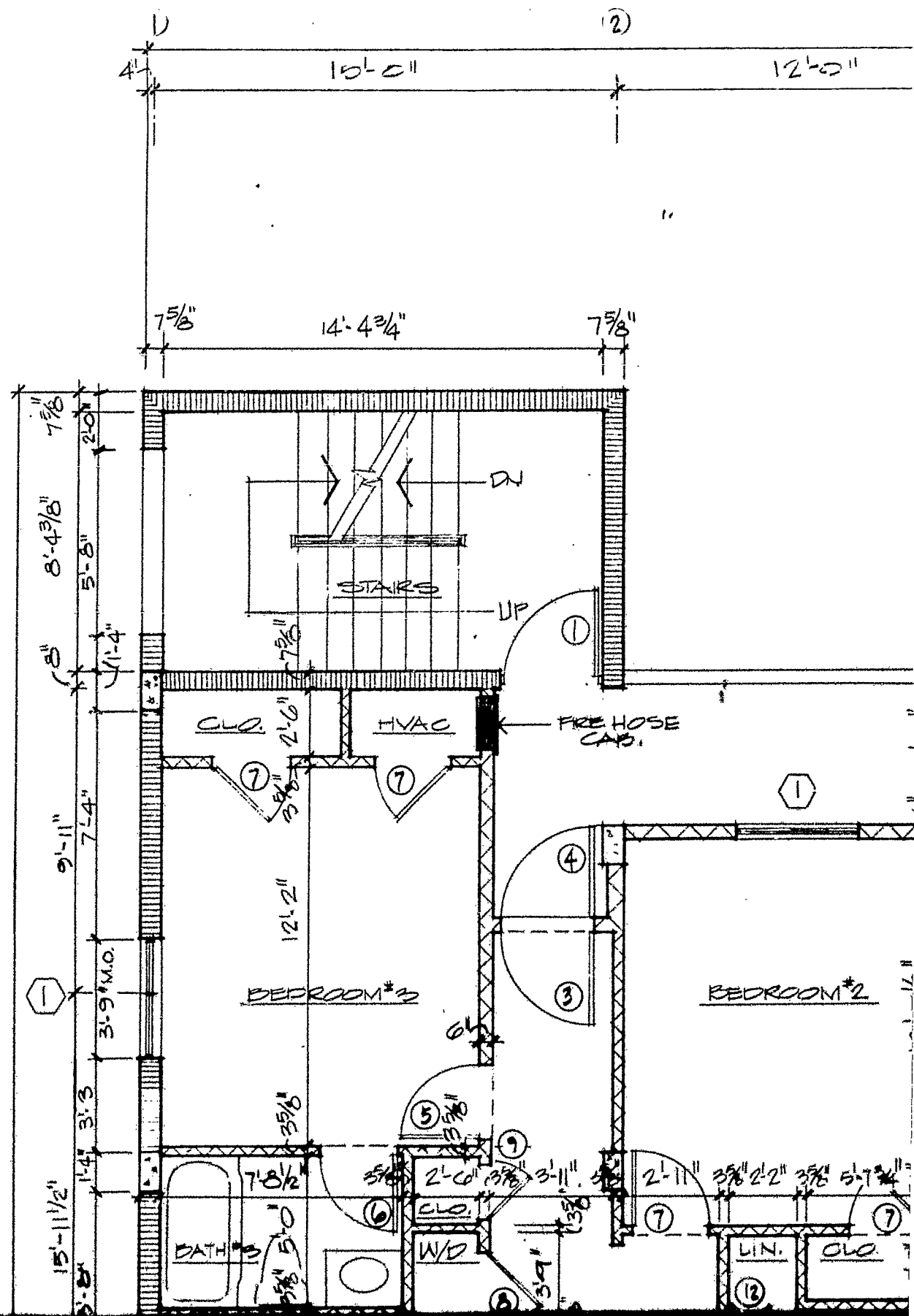
15 - FIRST PHASE

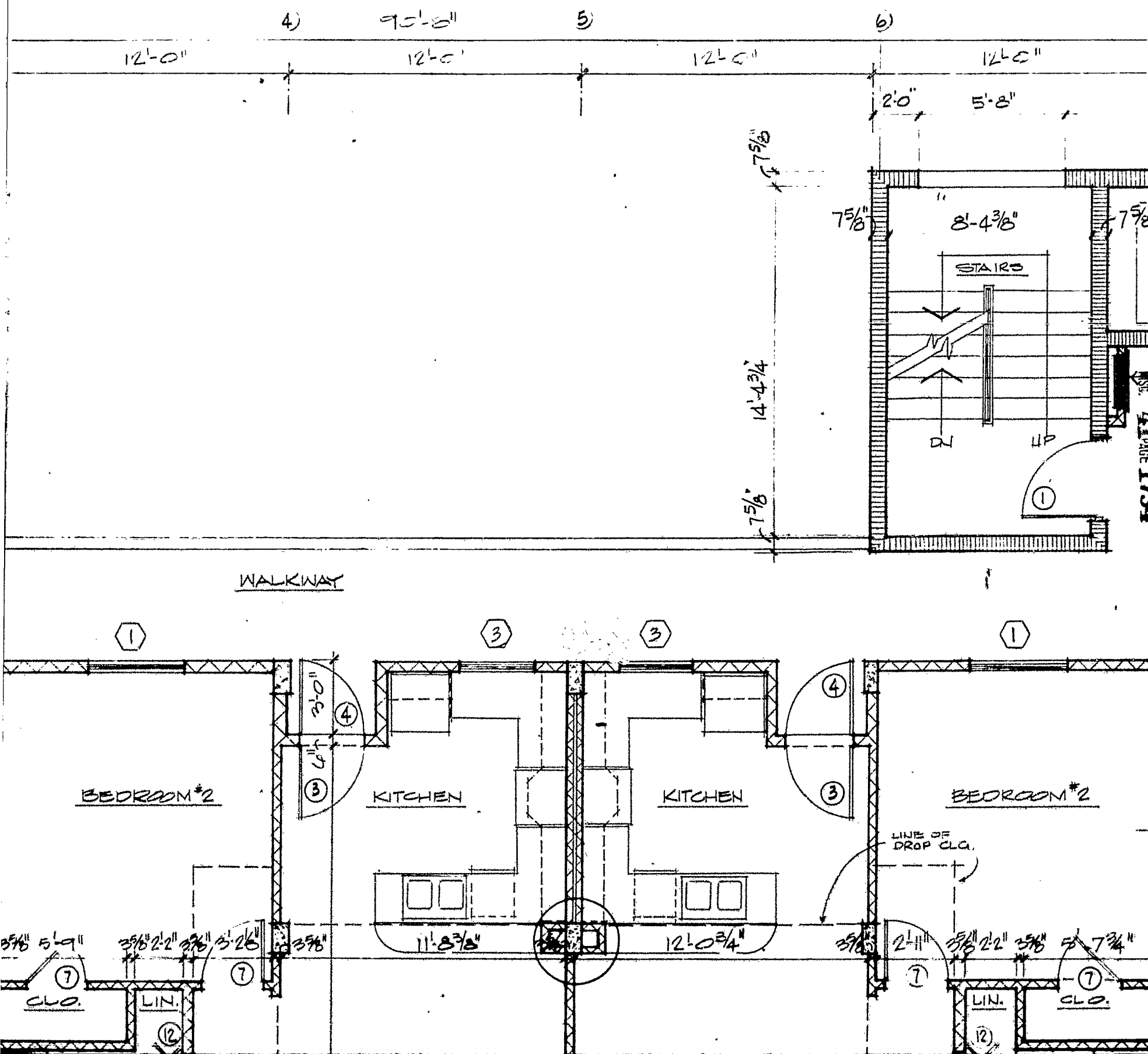


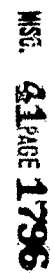
NOTE:

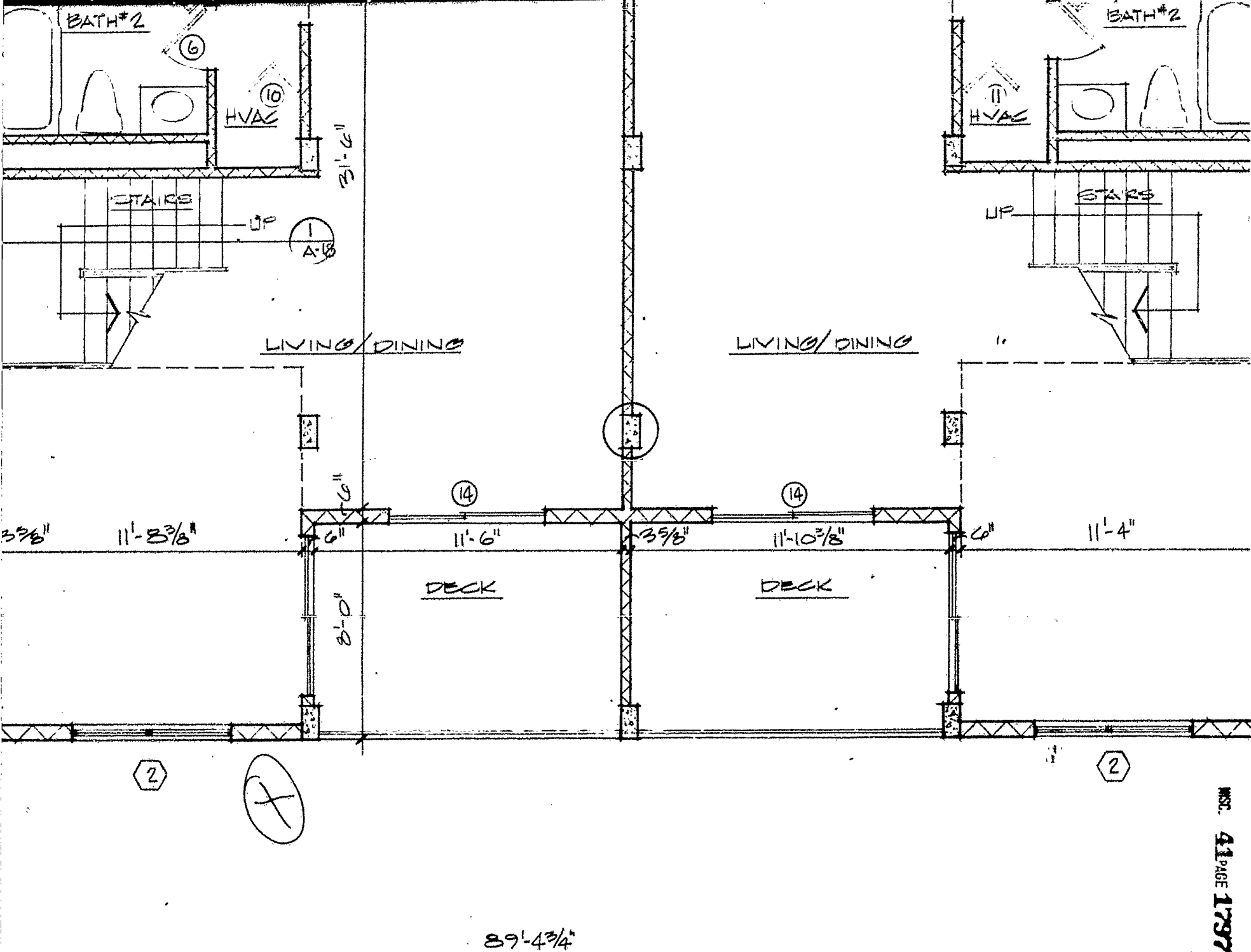
- FOR KITCHEN ELEVATIONS, SEE SHEET A-11
- FOR BATH ELEVATIONS, SEE SHEET A-12
- ALL CLOTHES CLOSETS TO HAVE 1-3/4", 12" WIDE PLYWOOD SHELF AND 1" RIGID CONDUIT ROD.
- ALL LINEN CLOSETS AND PANTRIES TO HAVE 4 3/4" PLYWOOD SHELVES



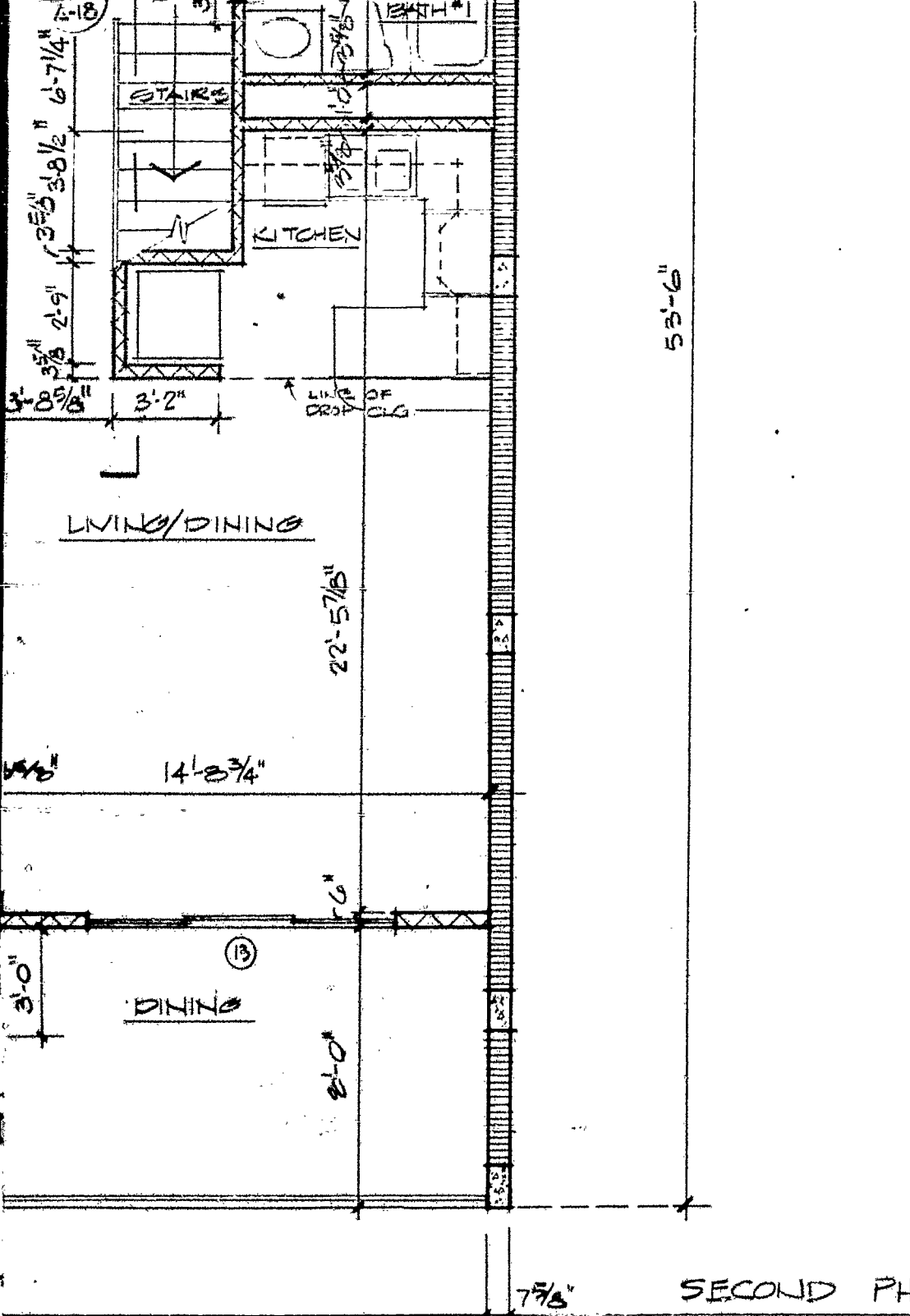




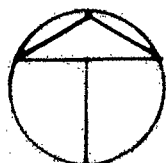




EIGHTH FLOOR PLAN - FIRST PH
SCALE: 1/4" = 1'-0"

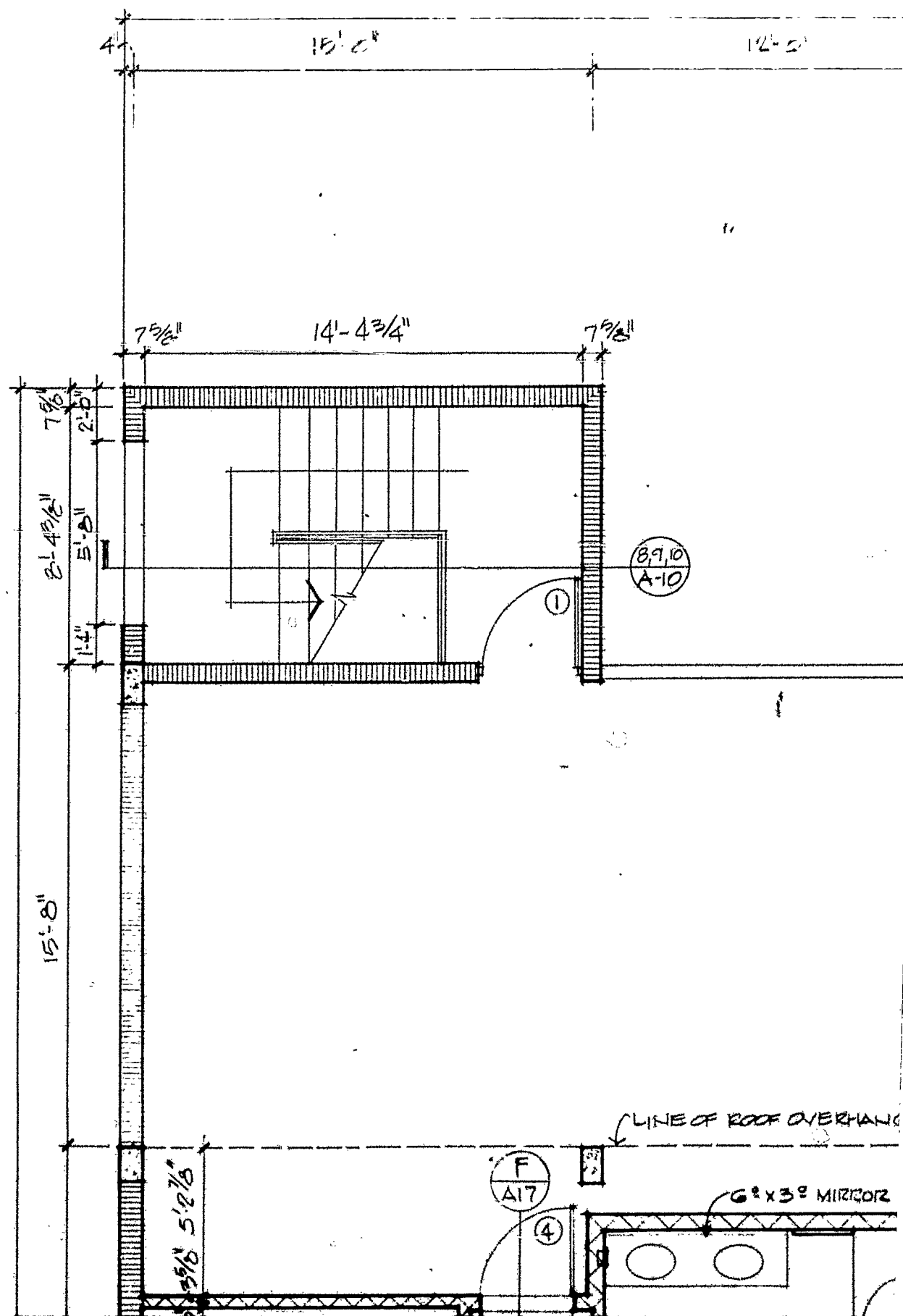


III

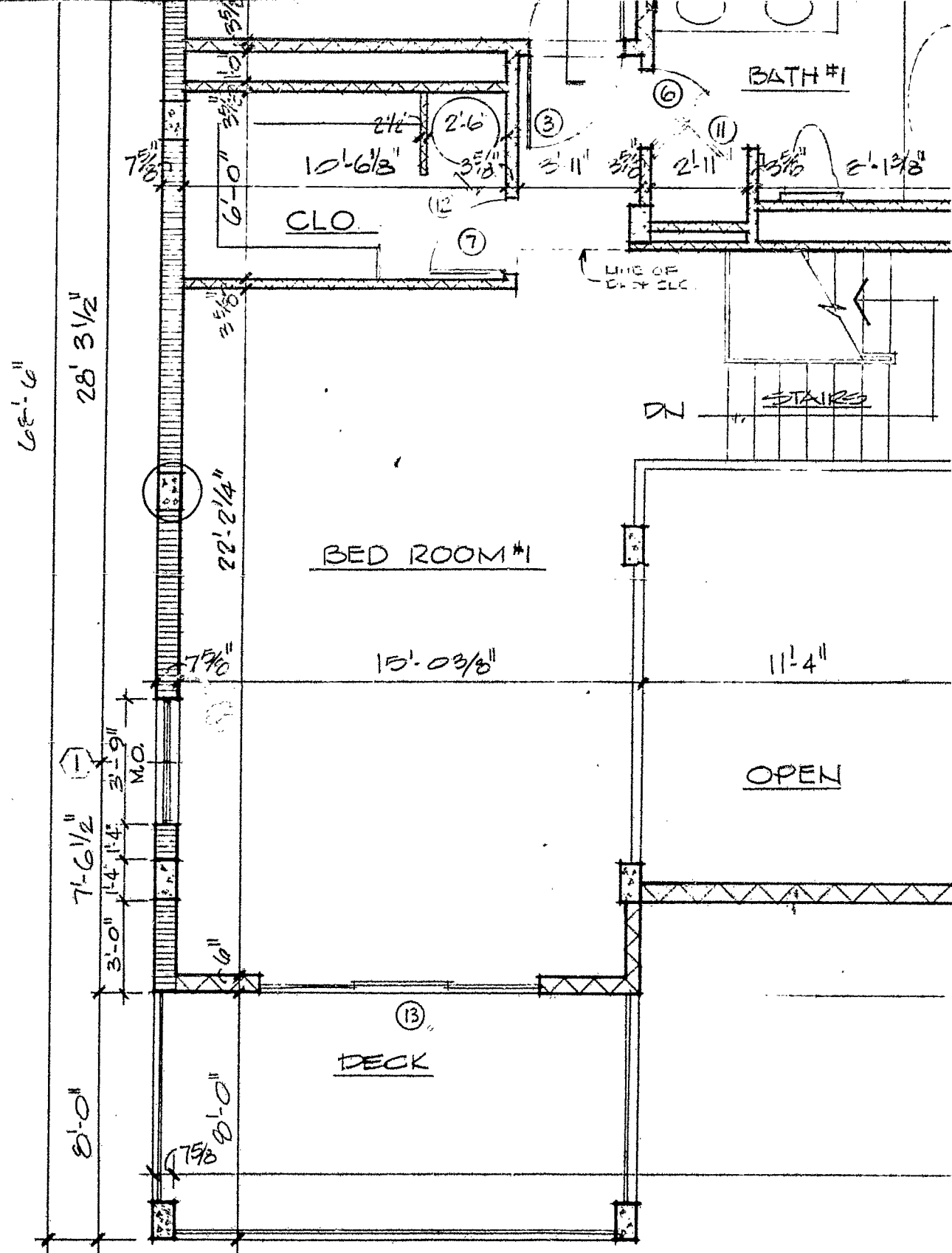


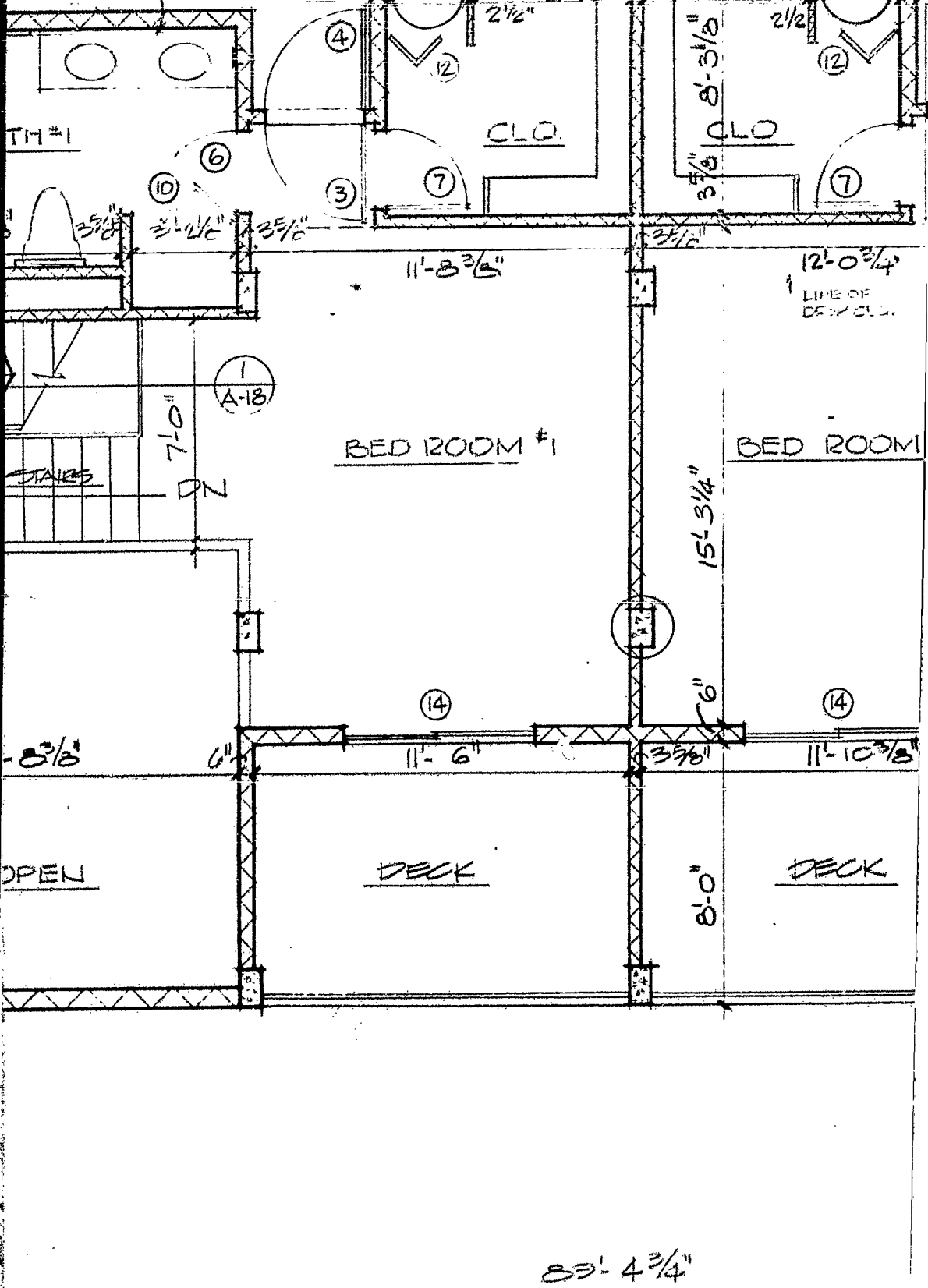
NORTH

EXHIBIT



4





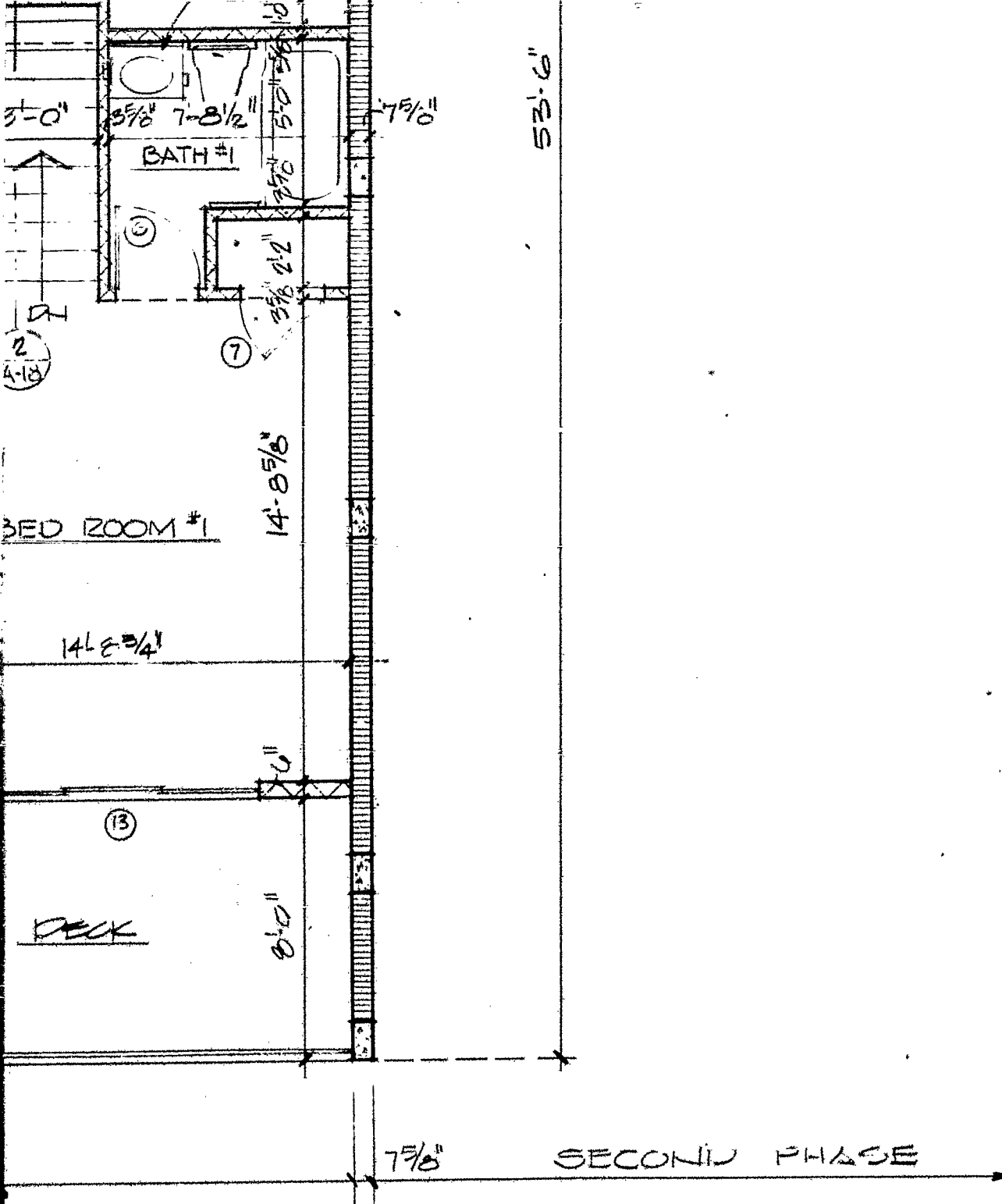
NINTH FLOOR PLAN

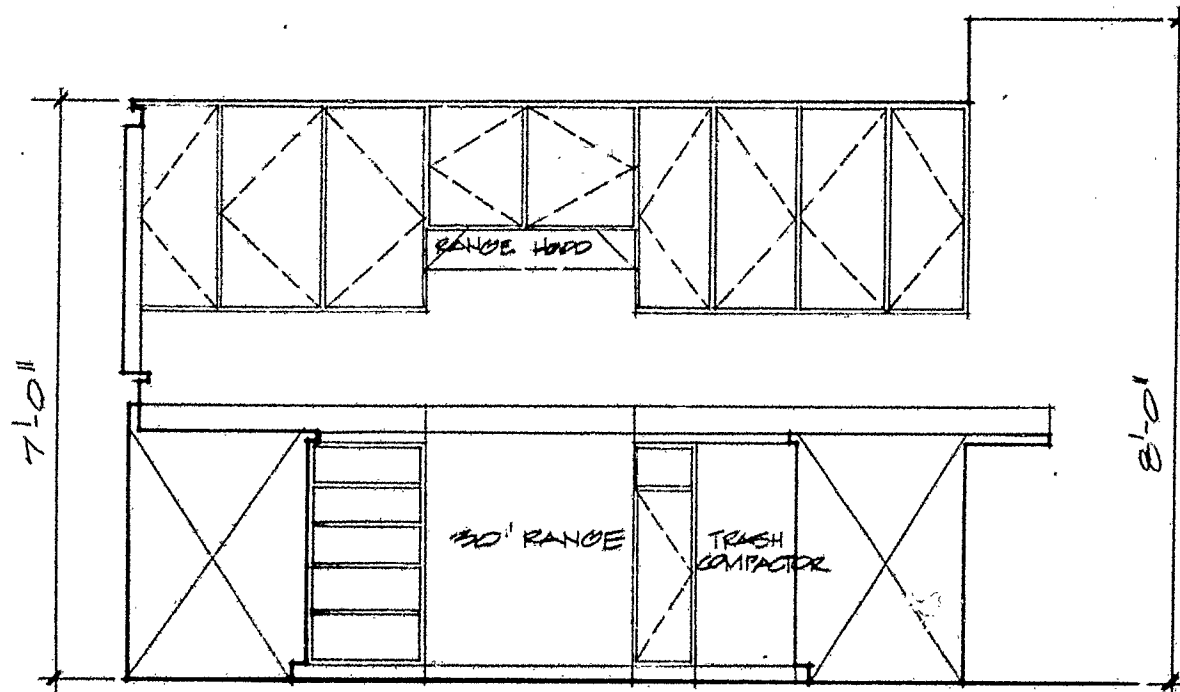
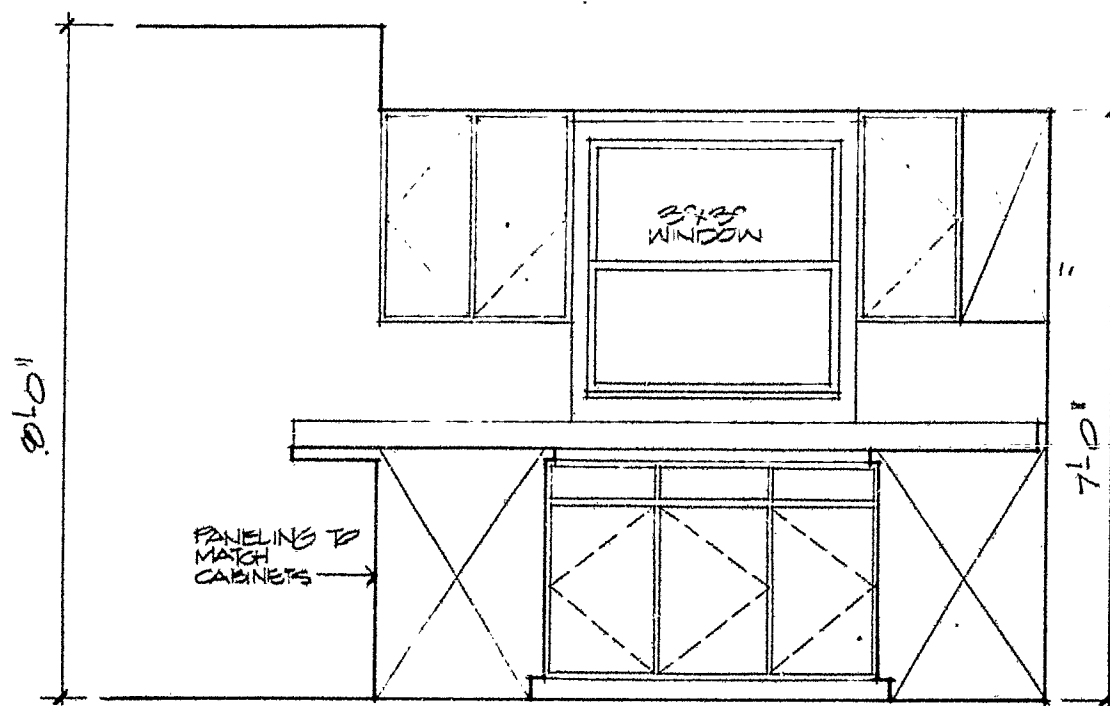
SCALE: 1/4" = 1'-0"

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

SHEET
A-5
OF 60

EXHIBIT "A" page 8



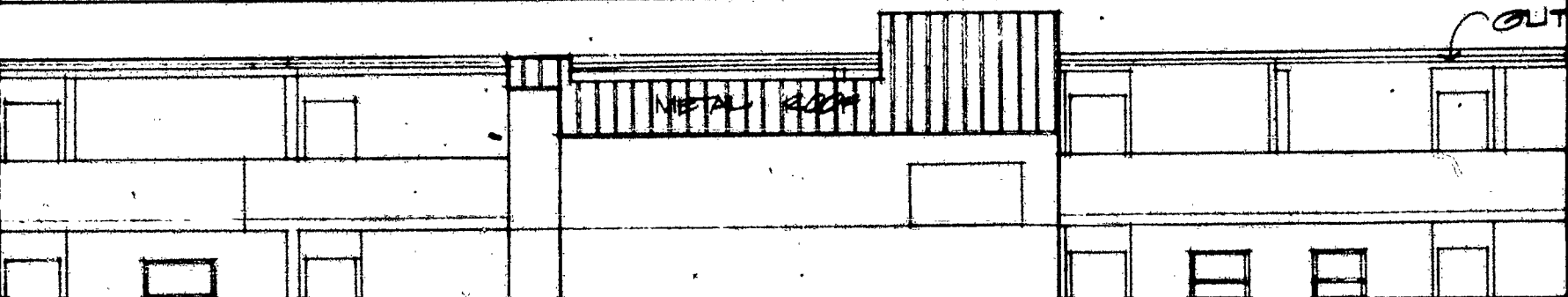
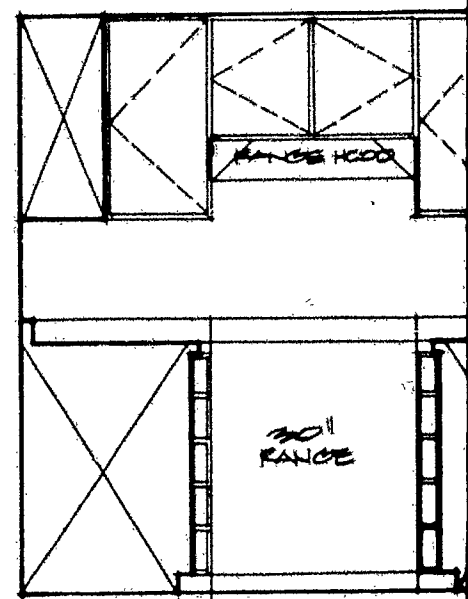
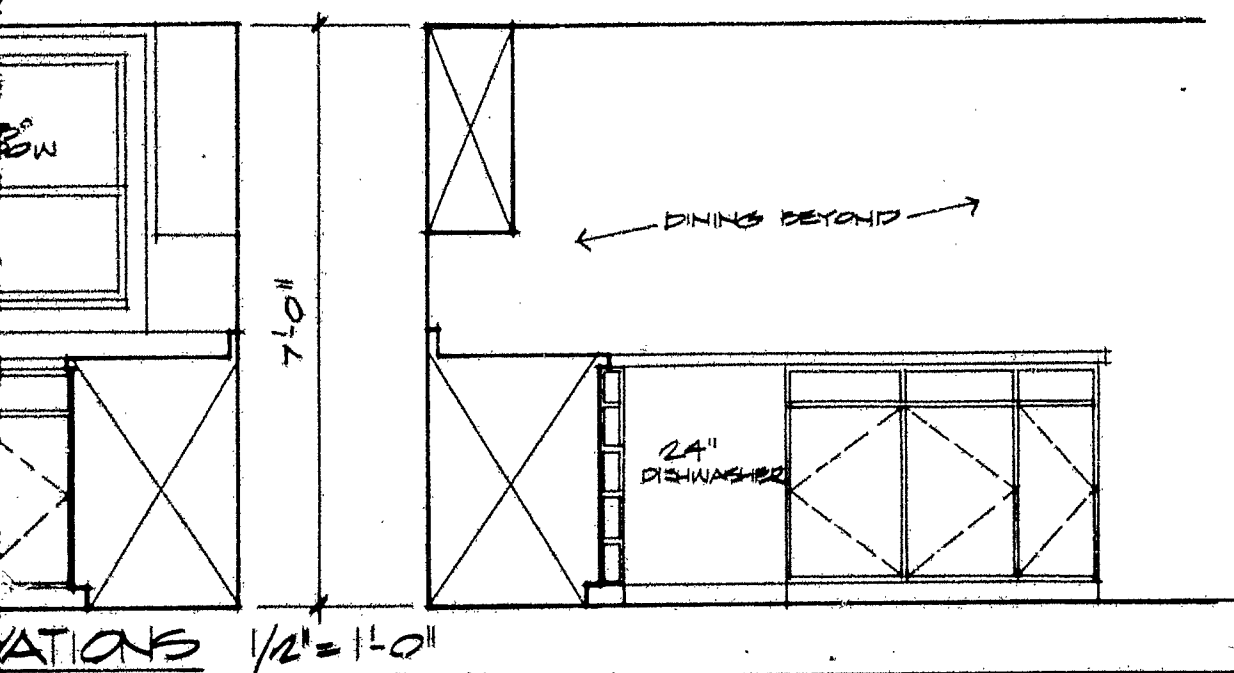
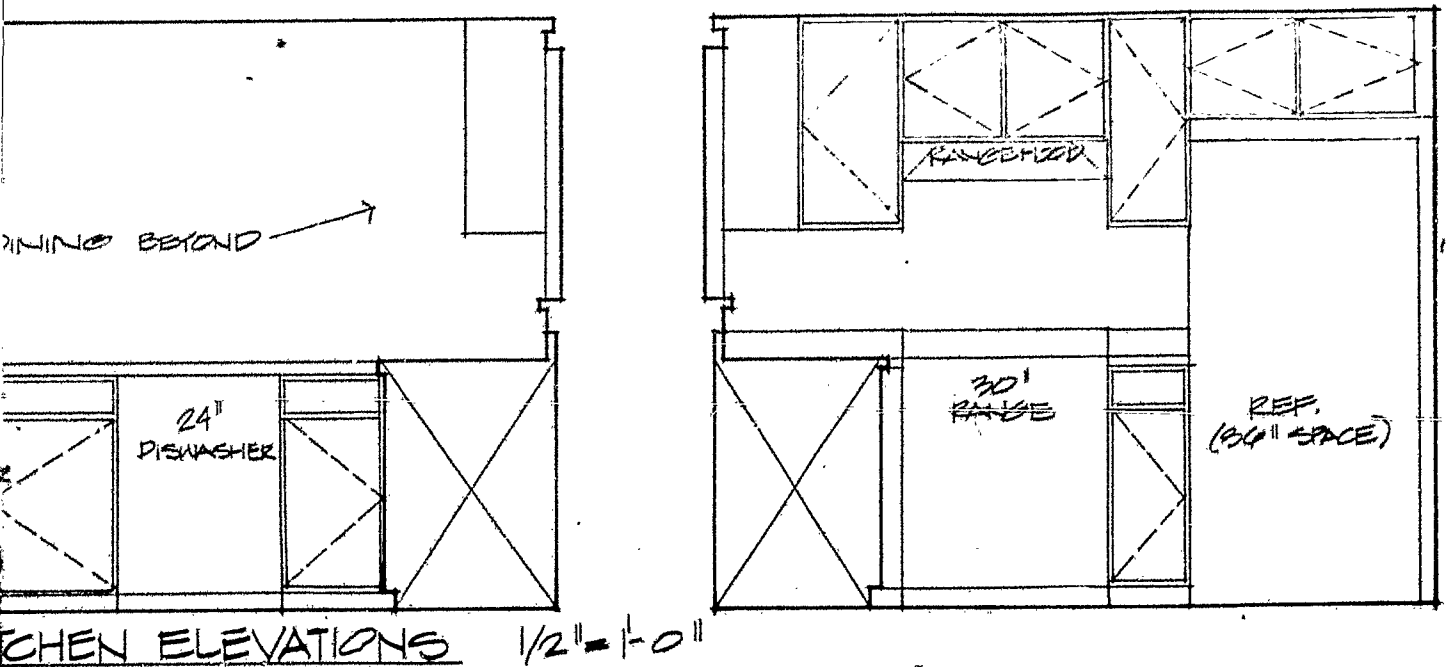


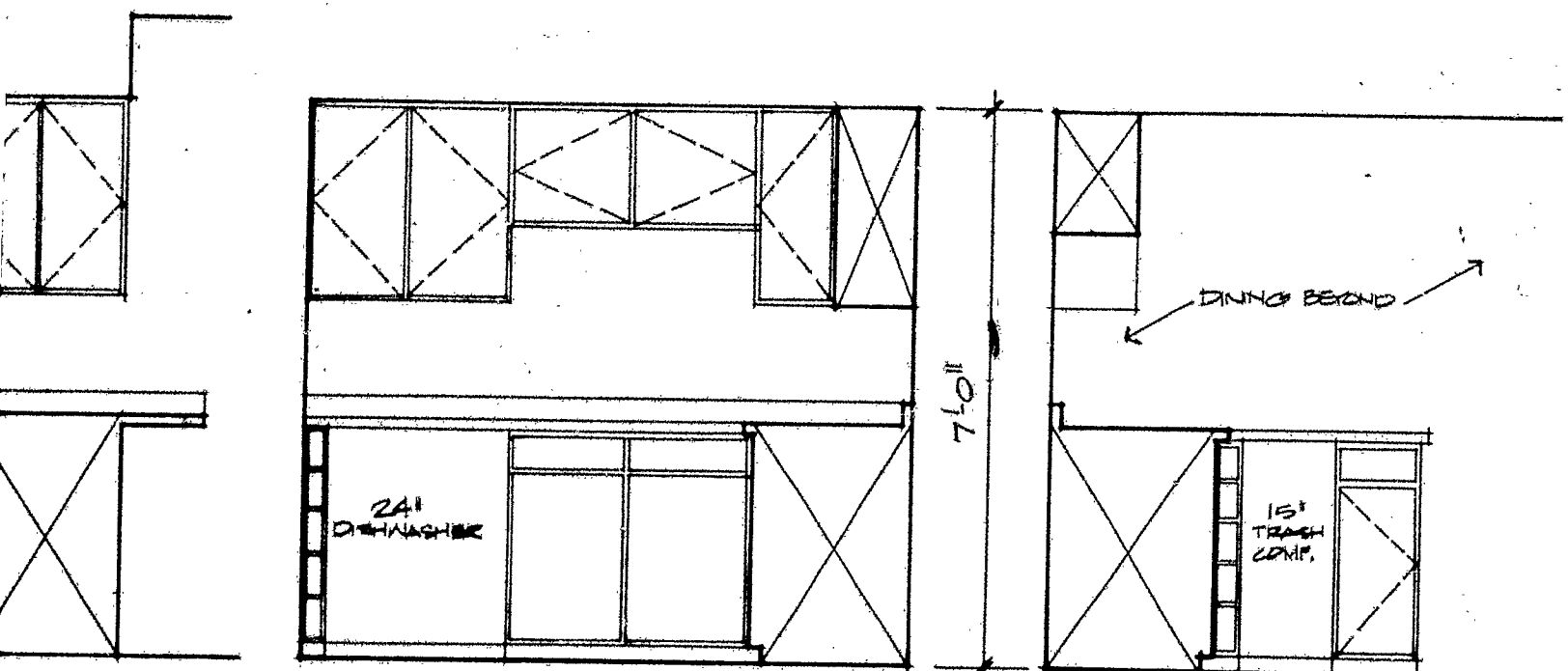
2 BR UNIT KITCHEN E

TOP OF ROOF
DECK

8'-5 1/2"

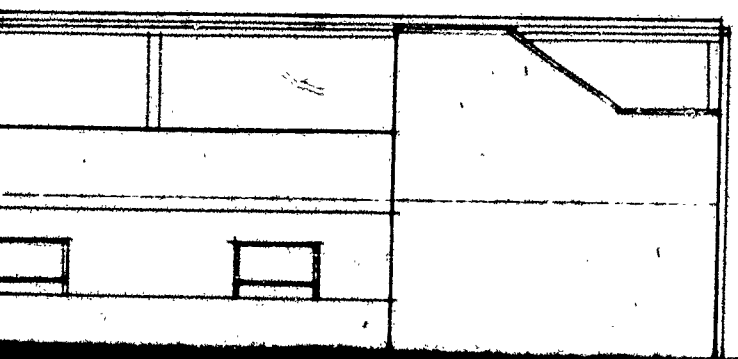
14' 0" 0" 0"





KITCHEN UNIT KITCHEN ELEVATIONS $\frac{1}{2}" = 1'-0"$

(PAINT TO MATCH STUCCO)



JOE W. AMSPACHER - ARCHITECT
101 NORTH NINTH AVE,
MEXICAN A. FLORIDA 30502

FIN. FLOOR

FIN. GRADE

8'-5 1/2"

8'-5 1/2"

8'-5 1/2"

8'-5 1/2"

8'-5 1/2"

8'-5 1/2"

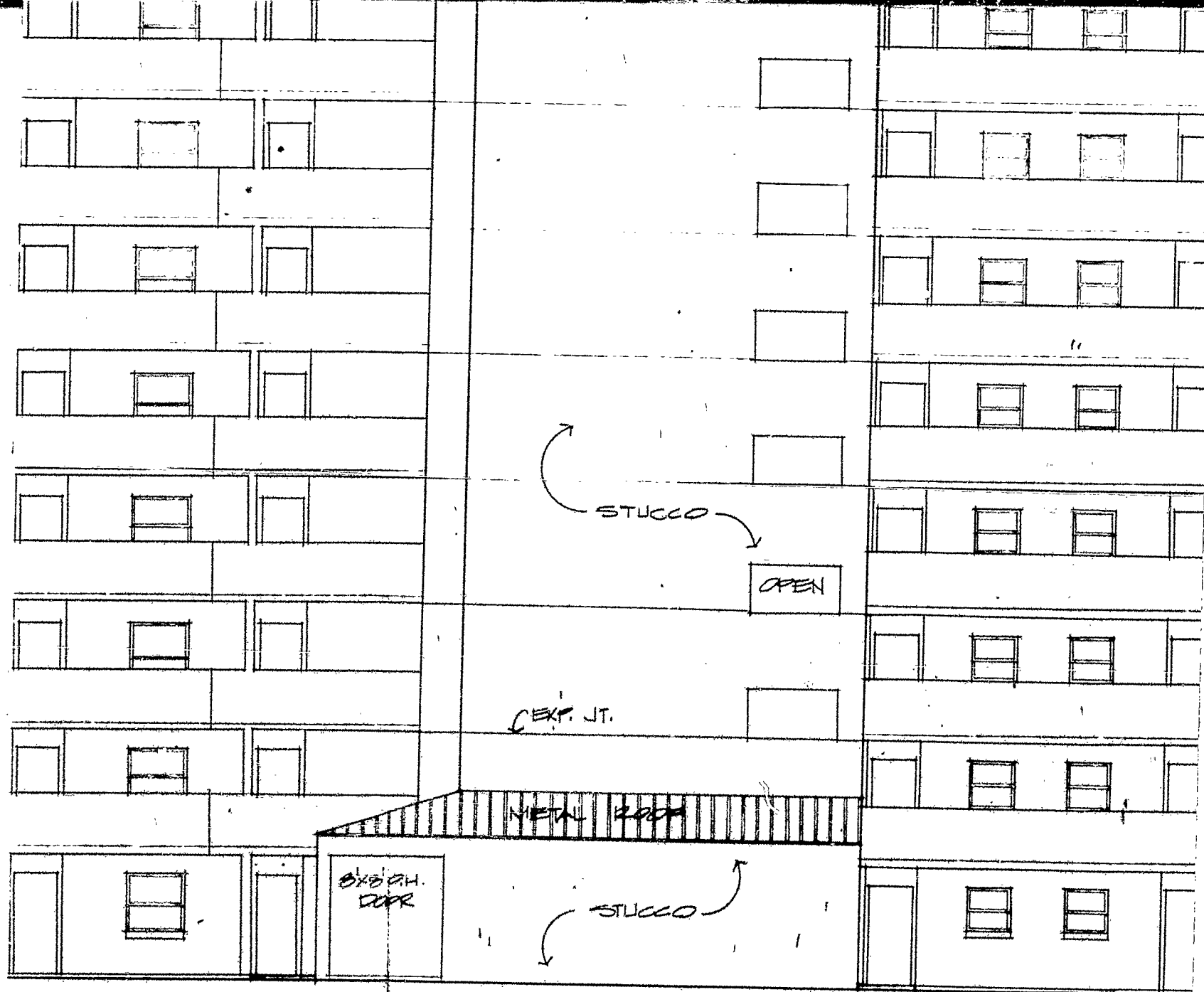
8'-5 1/2"

8'-5 1/2"

8'-5 1/2"

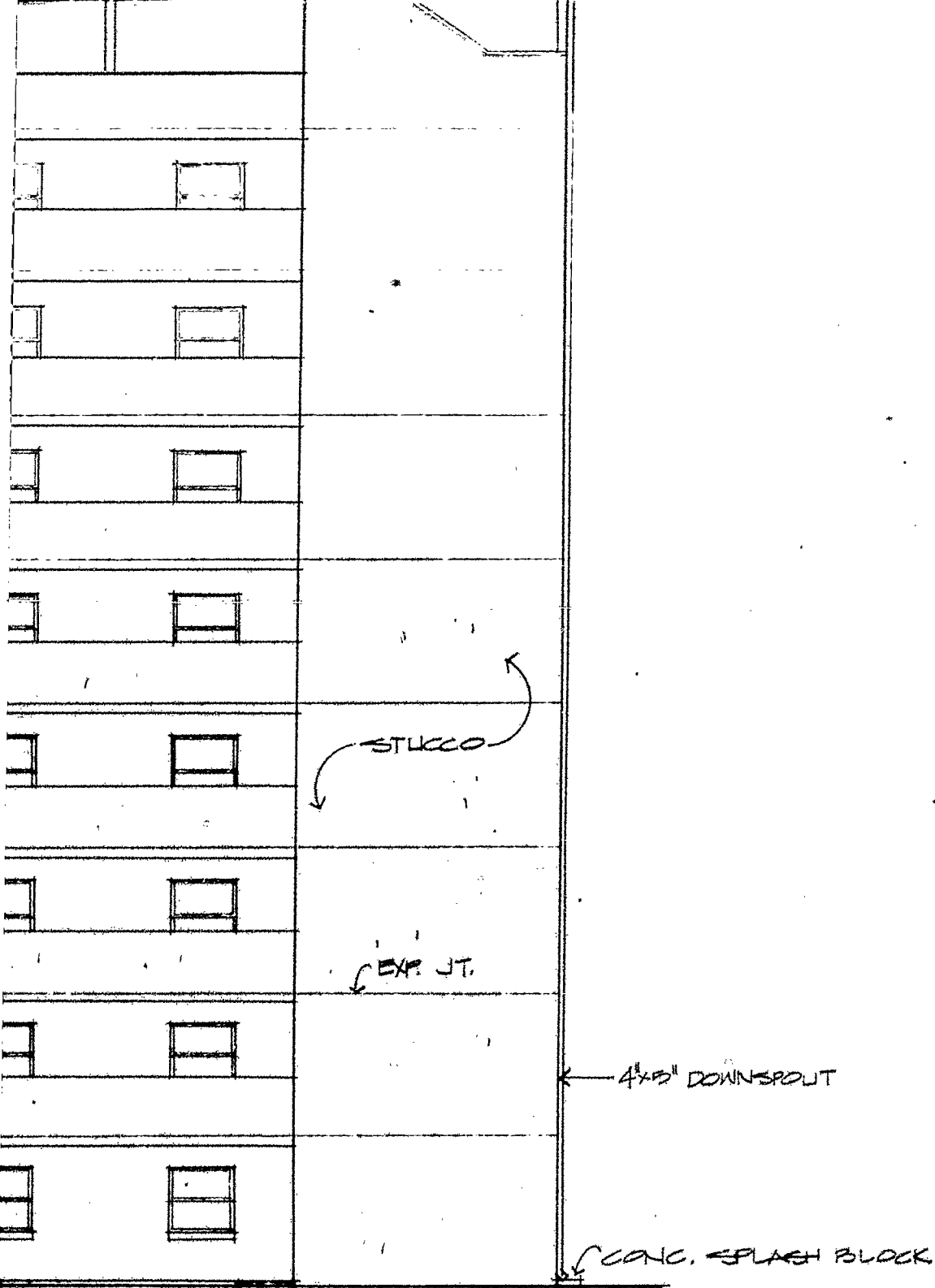
STUCCO

EXP. JT.



NORTH ELEVATION (PHASES ONE AND TWO)

SCALE: 1/8" = 1'-0"

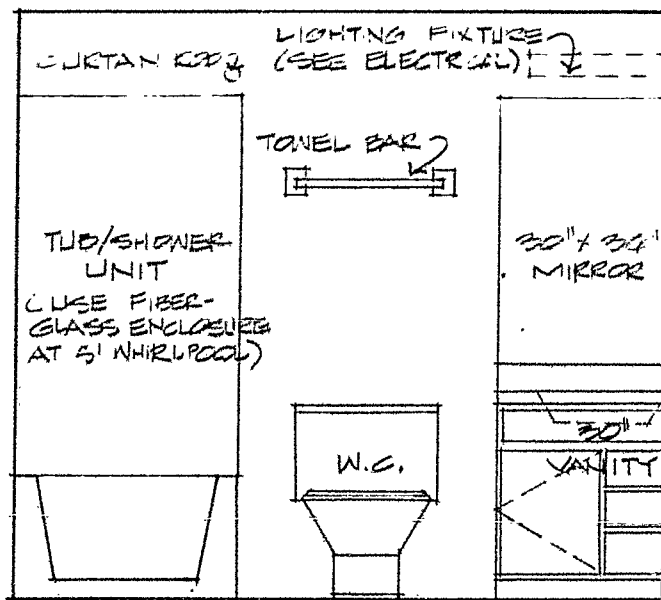


SEE SHEET A-14

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

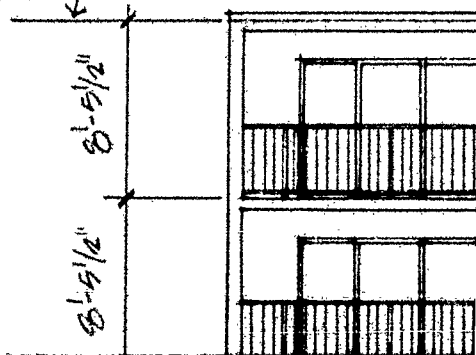
EXHIBIT "A" page 9

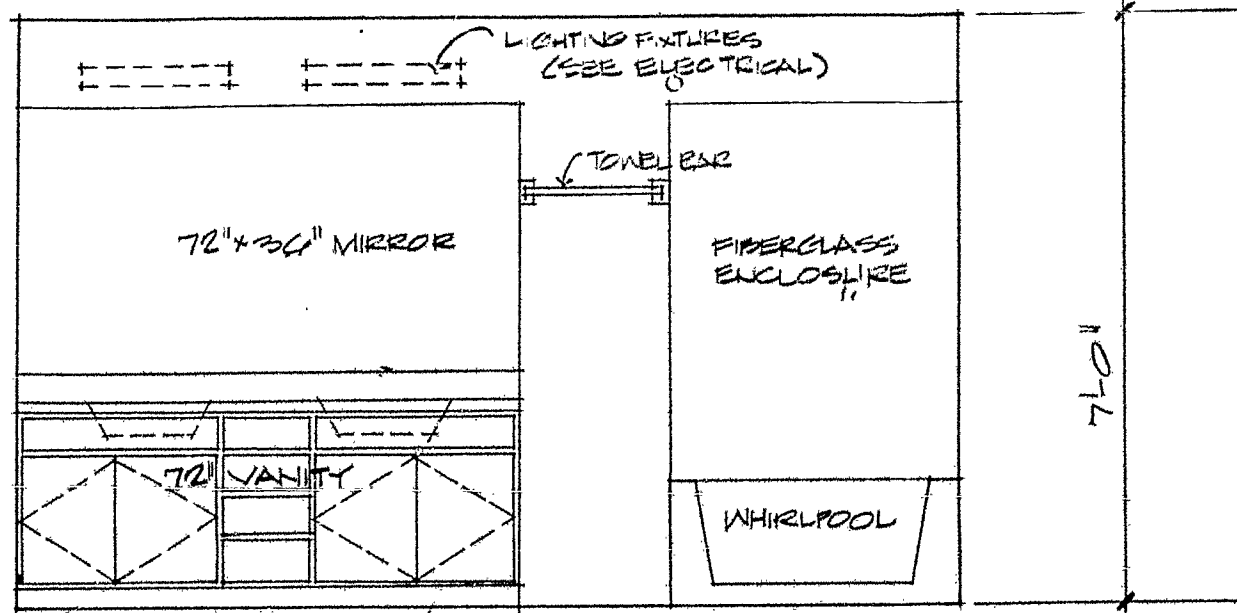
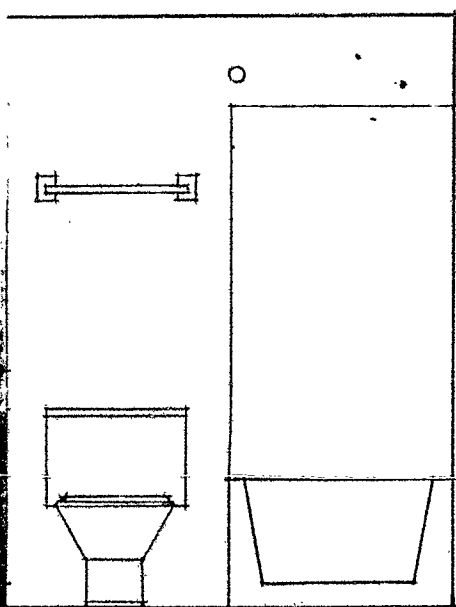
SHEET
A-11
OF 60



TYPICAL BATH (EXCEPT FOR)

TOP OF ROOF
DECK



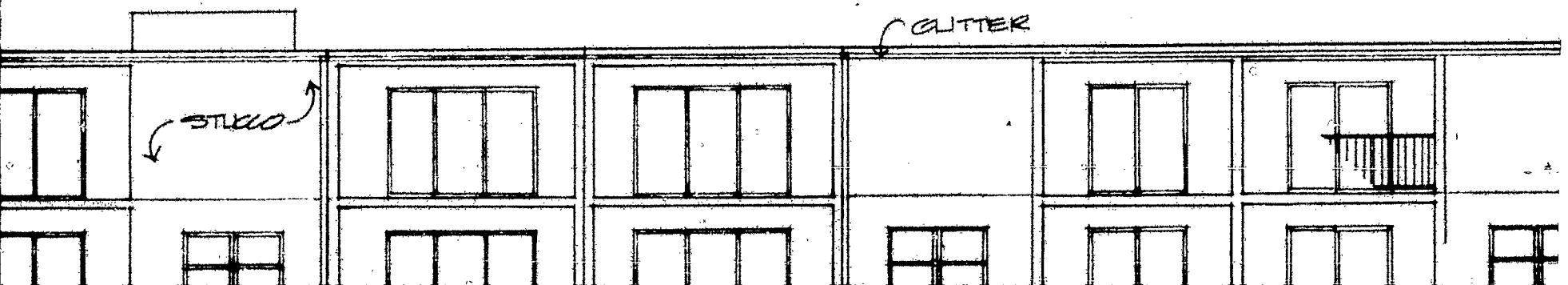


MASTER BATH

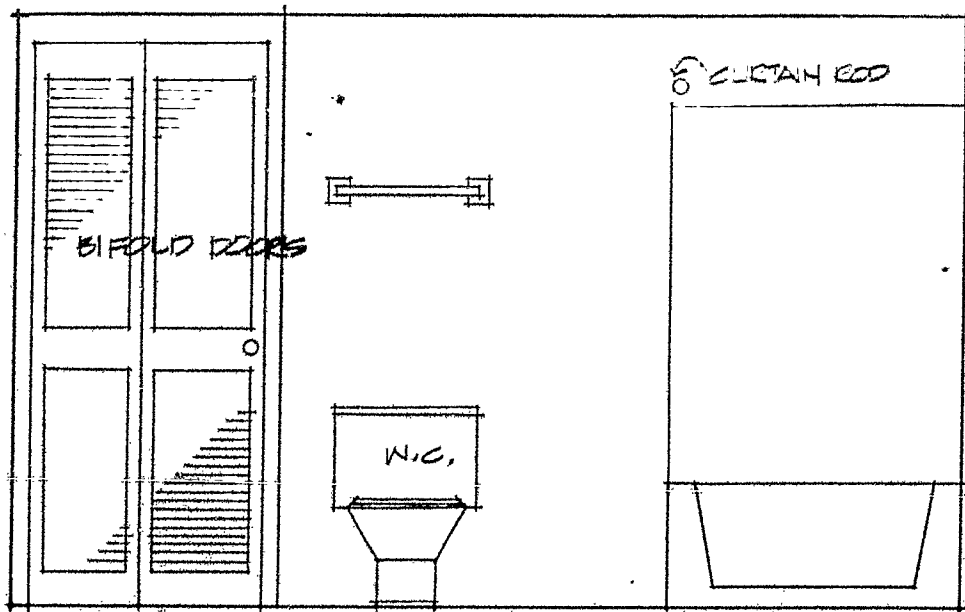
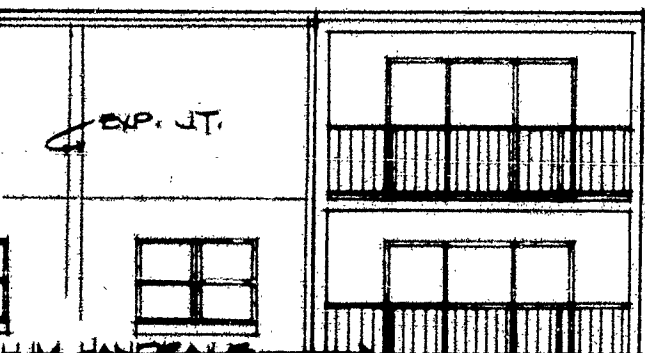
TYPICAL PENTHOUSE

BATH ELEVATIONS.
SCALE: 1/2" = 1'-0"

MSC. 41 PAGE 1812



E BATH

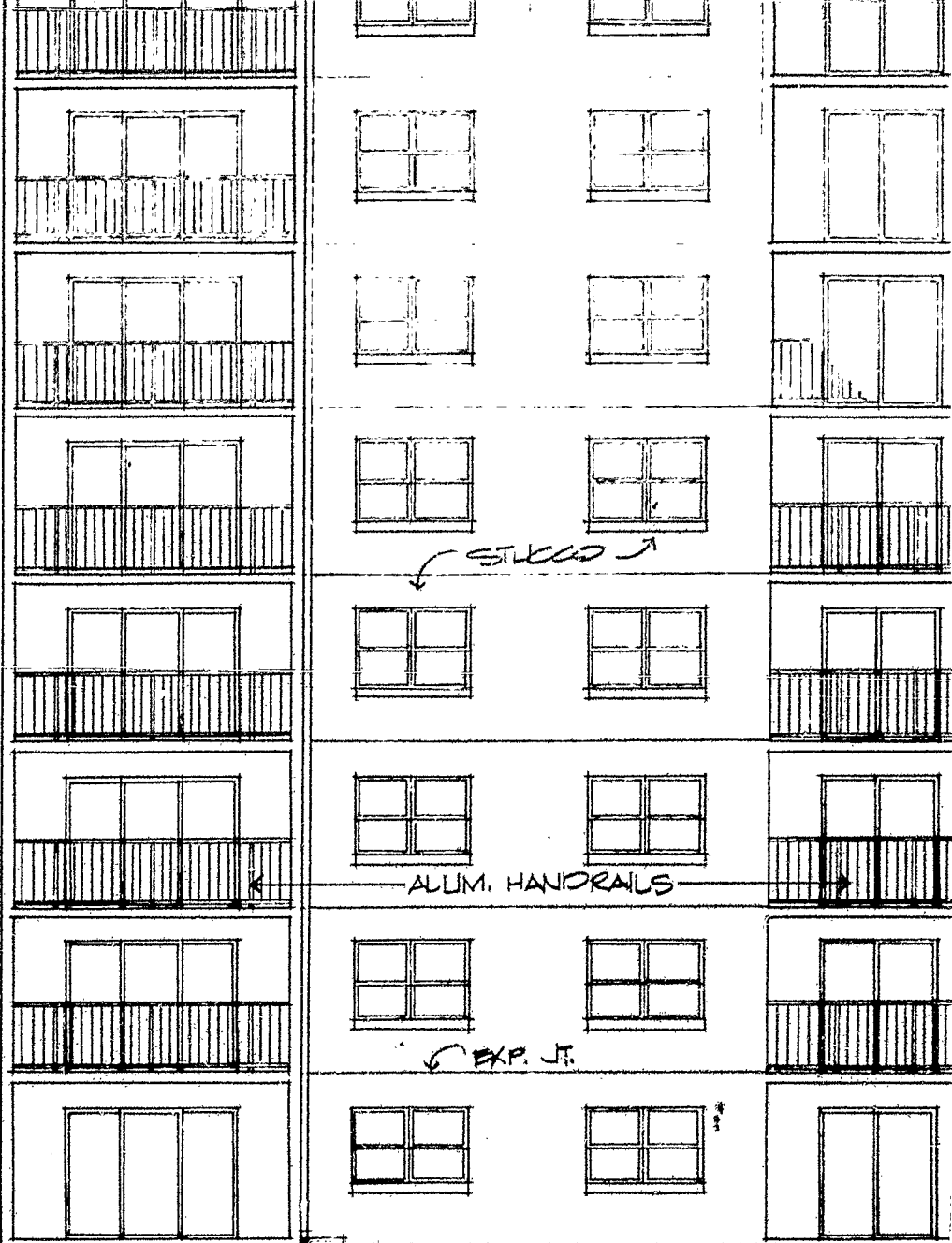


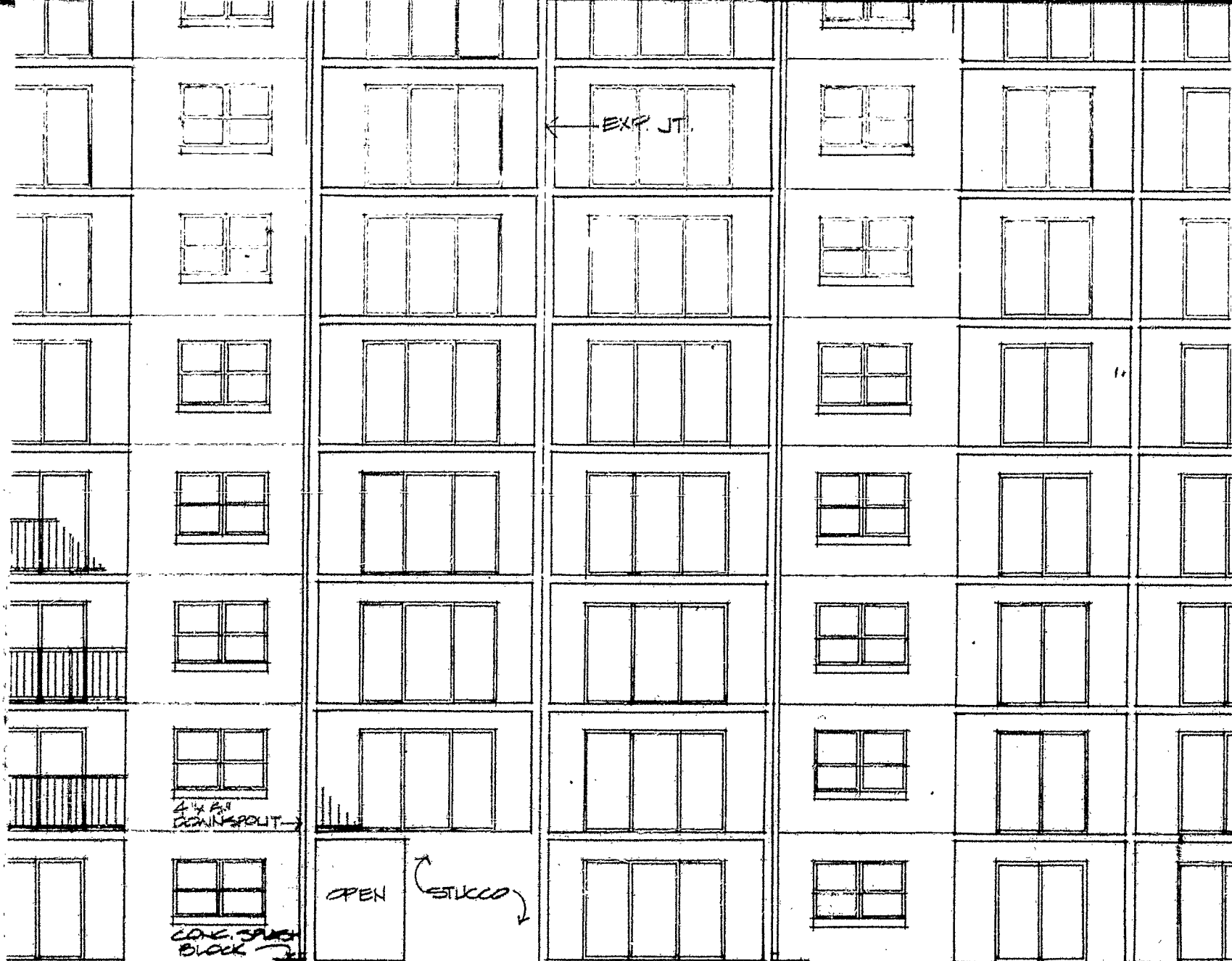
JOE W. AMSPACHER - ARCHITECT
1901 NORTH NINTH AVE.
PENSACOLA, FLORIDA 32503
A.C. 924 434-0123 MARCH 15, 1982

FIN. FLOOR

FIN. GRADE

8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"





NOTE: FOR LOCATION OF VERTICAL EXP. JTS, SEE

SOUTH ELEVATION

SCALE: 1/8" = 1'-0"



SHEET A-14

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

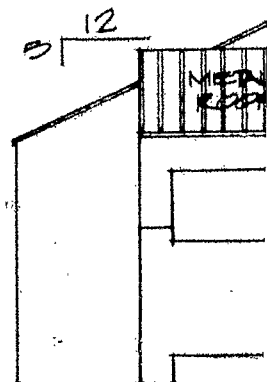
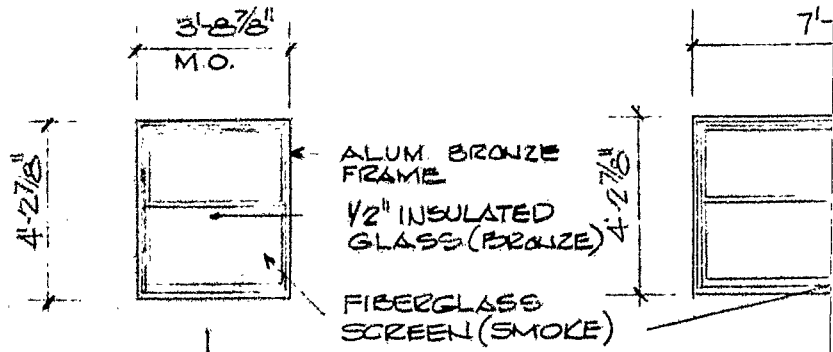
SHEET
A-12
OF 60

EXHIBIT "A" page 10

WINDOW

| | WINDOW SIZE | TYPE |
|---|---------------|---------------------|
| ① | 30" x 40" | ALUM SINGLE HUNG |
| ② | PR. 30" x 40" | ALUM SINGLE HUNG |
| ③ | 30" x 36" | ALUM SINGLE HUNG |
| ④ | 40" x 40" | ALUM. FIXED |
| ⑤ | 30" x 40" | ALUM SINGLE HUNG |

SEE WINDOW DETAILS SHEET A-16



10' W/SCREENS,

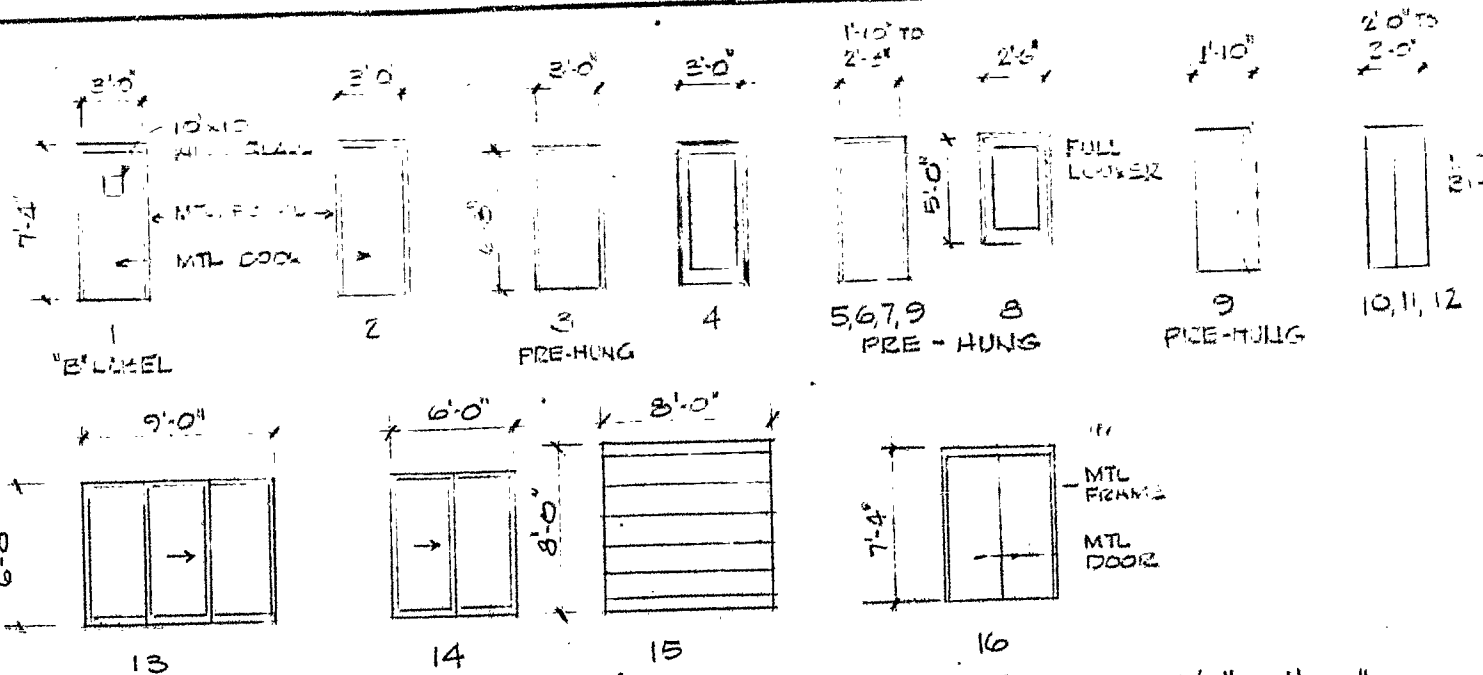
10' W/SCREENS,
2 SEE SPEC'S.

10' W/SCREENS,

10' W/SCREENS,
SEE SPEC'S.

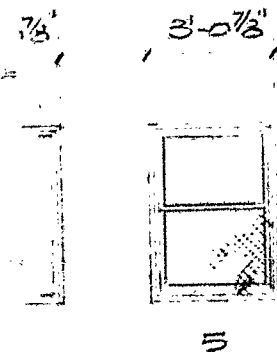
10' W/SCREENS,
SEE SPEC'S.

10' W/SCREENS,
SEE SPEC'S.



DOOR TYPES

1/8" = 1'-0"



ALUM BRONZE
FRAME

TOP OF ROOF
DECK

8'-5 1/2"

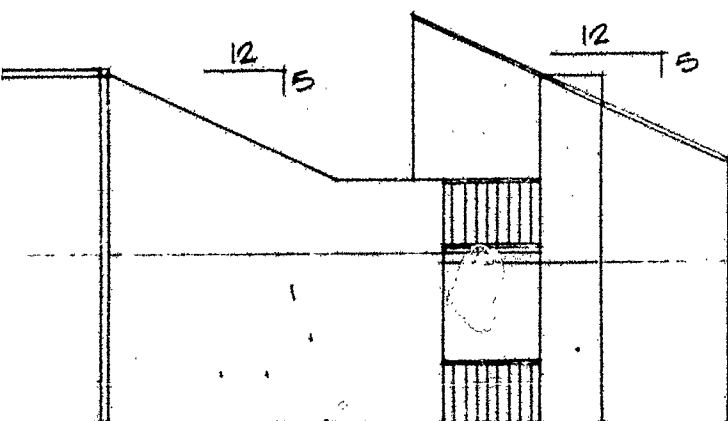
8'-5 1/2"

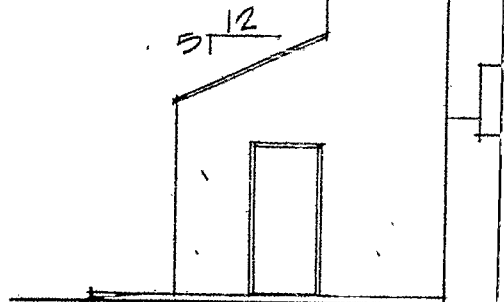
EXP. JT.

DOOR SCHEDULE

| DOOR NO. | SIZE | DOOR | | FRAME | | DETAILS | | | REMARKS |
|-------------|---------------------------|-------------------------|------|-------------|------|---------|----|----|--------------------------------|
| | | TYPE | MAT. | TYPE | MAT. | H. | J. | S. | |
| ① | 3' x 7' $\frac{1}{4}$ | | H.M. | | H.M. | | | | 'B' LABEL |
| ② | 3' x 7' $\frac{1}{4}$ | | H.M. | | H.M. | | | | DELIVERED AS SHOWN ON DRAWINGS |
| ③ | 3' x 6' $\frac{1}{4}$ | PRE-HUNG | WD. | WOOD. | | | | | |
| ④ | 3' x 6' $\frac{1}{4}$ | ALUM. SCL. | AL. | FULL SCREEN | AL. | | | | " |
| ⑤ | 2' x 6' $\frac{1}{4}$ | PRE-HUNG H.C. FLUSH | WD. | WOOD | WD. | | | | |
| ⑥ | 2' x 6' $\frac{1}{4}$ | PRE-HUNG H.C. FLUSH | WD. | WOOD | WD. | | | | |
| ⑦ | 2' x 6' $\frac{1}{4}$ | PRE-HUNG H.C. FLUSH | WD. | WOOD | WD. | | | | |
| ⑧ | 2' x 5' $\frac{1}{4}$ | PRE-HUNG FULL LOUVER | WD. | WOOD | WD. | | | | |
| ⑨ | 1' x 6' $\frac{1}{4}$ | PRE-HUNG H.C. FLUSH | WD. | WOOD | WD. | | | | |
| ⑩ | 3' x 6' x | MTL. FLUSH BI-FOLD | MTL. | — | — | | | | |
| ⑪ | 2' x 6' x | ↓ | ↓ | ↓ | ↓ | | | | |
| ⑫ | 2' x 6' x | ↓ | ↓ | ↓ | ↓ | | | | |
| ⑬ | 9' x 6' $\frac{1}{4}$ | SLIDING GL. | AL. | ALUM. | AL. | | | | |
| ⑭ | 6' x 6' $\frac{1}{4}$ | SLIDING GL. | AL. | ALUM. | AL. | | | | |
| ⑮ | 8' x 8' $\frac{1}{4}$ | OVERHEAD | WOOD | MASONRY | | | | | |
| ⑯ | PR. 2' x 6' $\frac{1}{4}$ | DOUBLE | H.M. | METAL | H.M. | | | | |

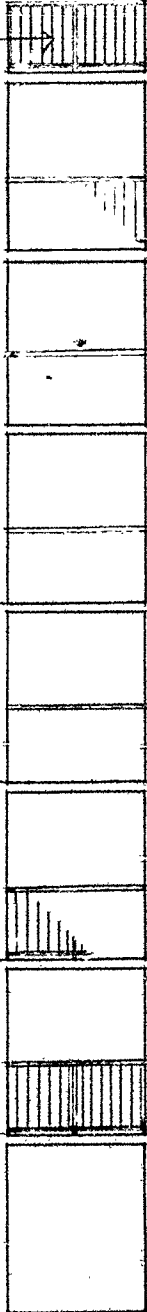
JOE W. AMSPACHER - ARCHITECT
 1901 NORTH NINTH AVE.
 PENSACOLA, FLORIDA 32503
 A.C. 904 434-0123
 MARCH 15, 1982





WE

ALUM. HANDRAILS



8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/2"
8'-5 1/4"

FIN. FLOOR

FIN. GRADE

STUCCO

EXP. JT.

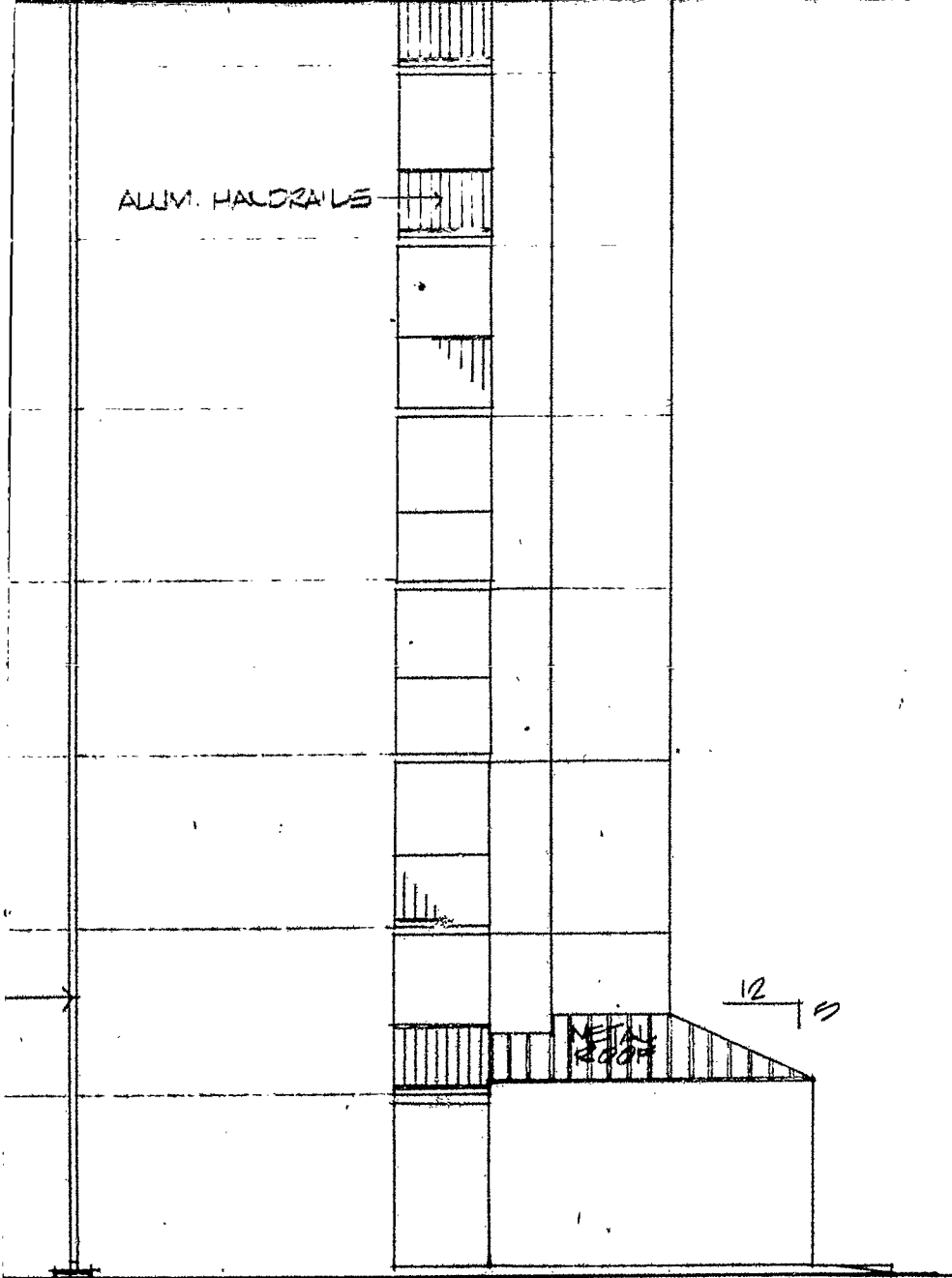
4"x6" DOWN

NOTE: FOR LOCATION OF VERTICAL EXP. JTS., SEE SHEET
ALL DOWNSPOUTS, GRAVEL GUARDS, ETC. TO BE PAINT

EAST EL

SCALE

SEE ONE)



(CON. DETAILS)
MATCH STUCCO.

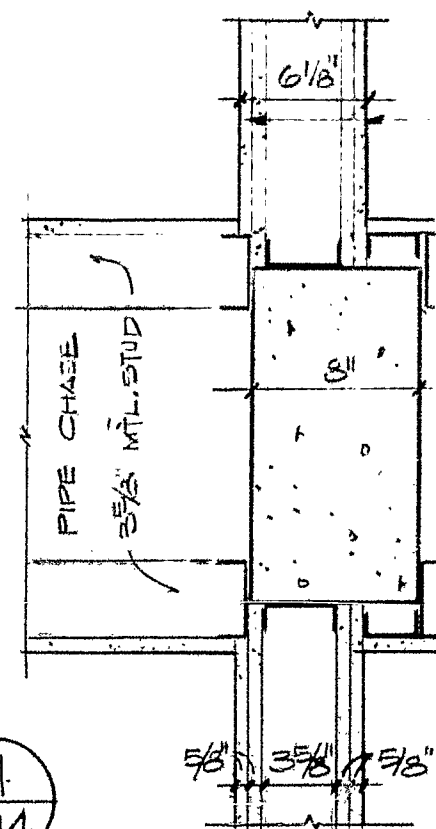
ELEVATION (PHASE ONE)

1/10"

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

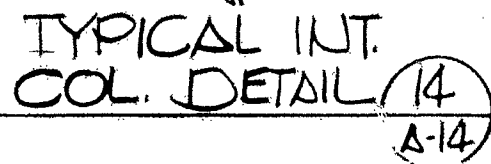
SHEET
A-13
OF 40

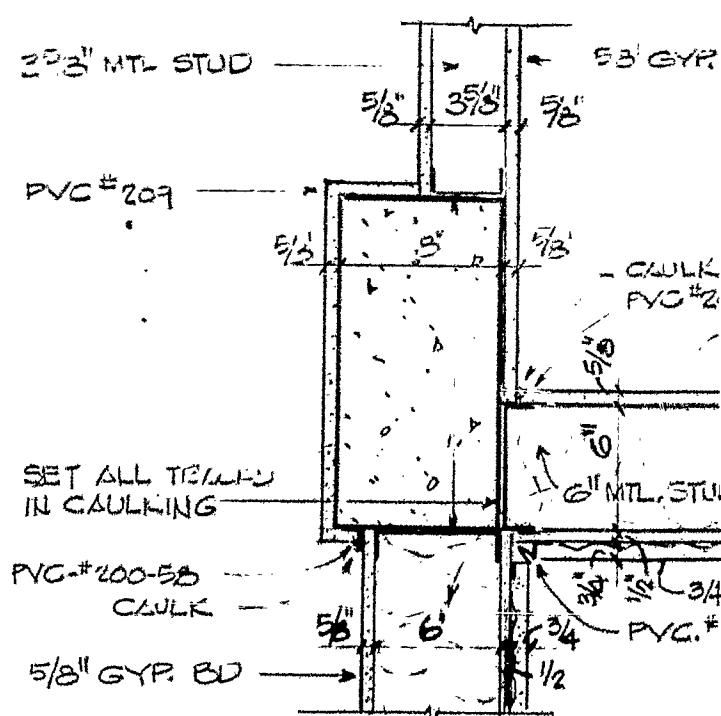
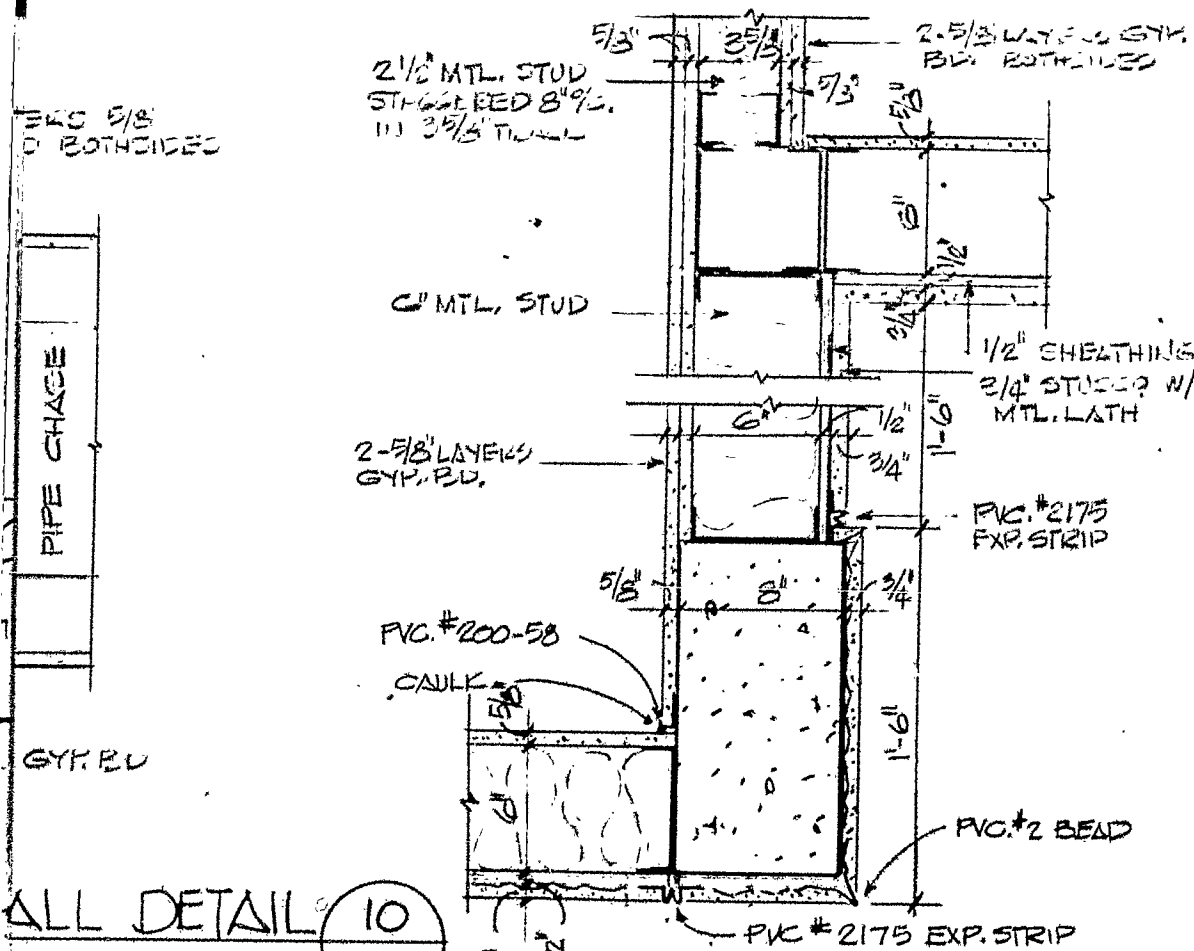
EXHIBIT "A" page 11



11-
A-14

TYPICAL COL
SCALE 1 1/2" = 1'-0"





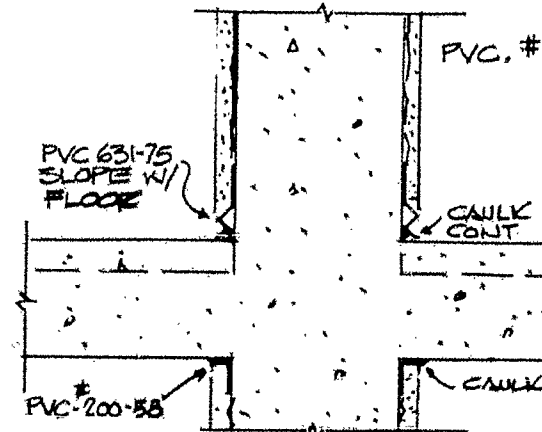
TYPICAL COL./WALL
SCALE 1 1/2" = 1'-0"

PVC #2175 EXP. STRIP
PVC #2 BEAD

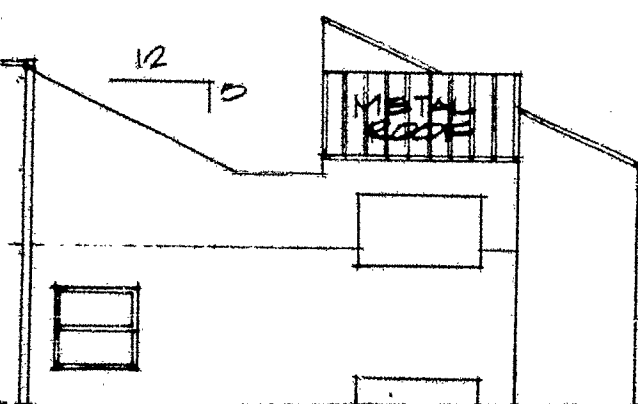
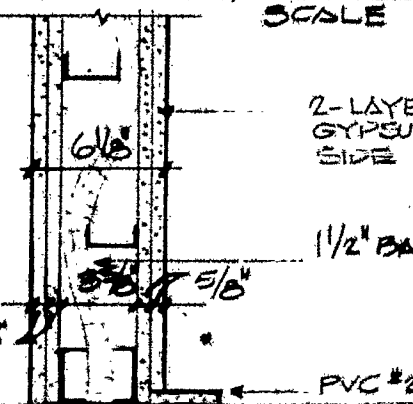
STUCCO W/ MTL. LATH

PVC #2 BEAD

TYPICAL COL./WALL
SCALE 1 1/2" = 1'-0"

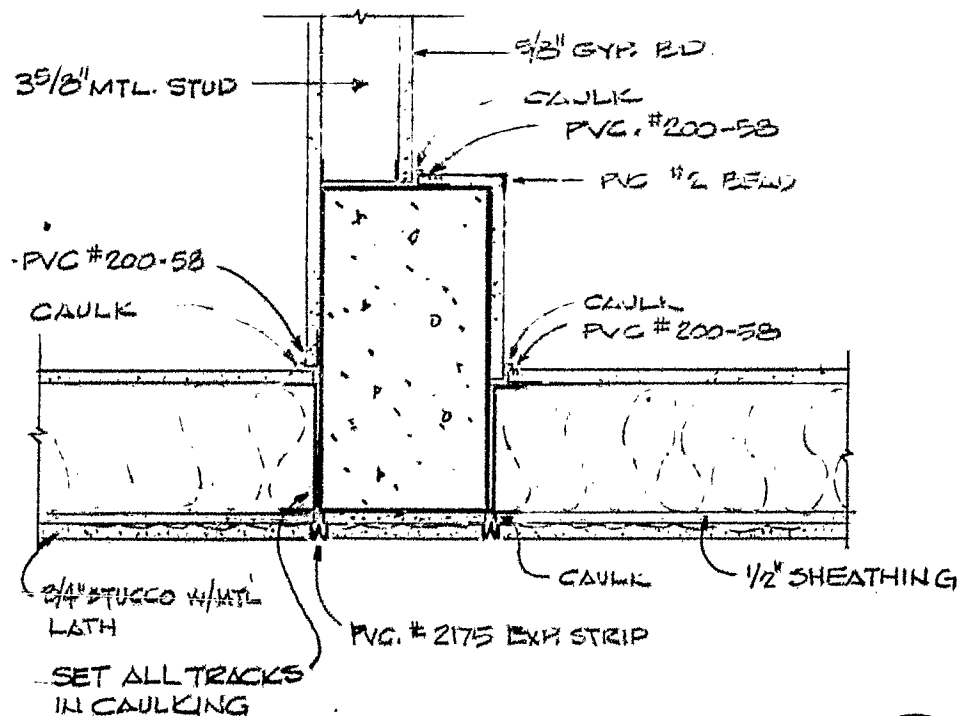


COL./FLOOR DETAIL 12
SCALE 1 1/2" = 1'-0"



1
THING
ATH

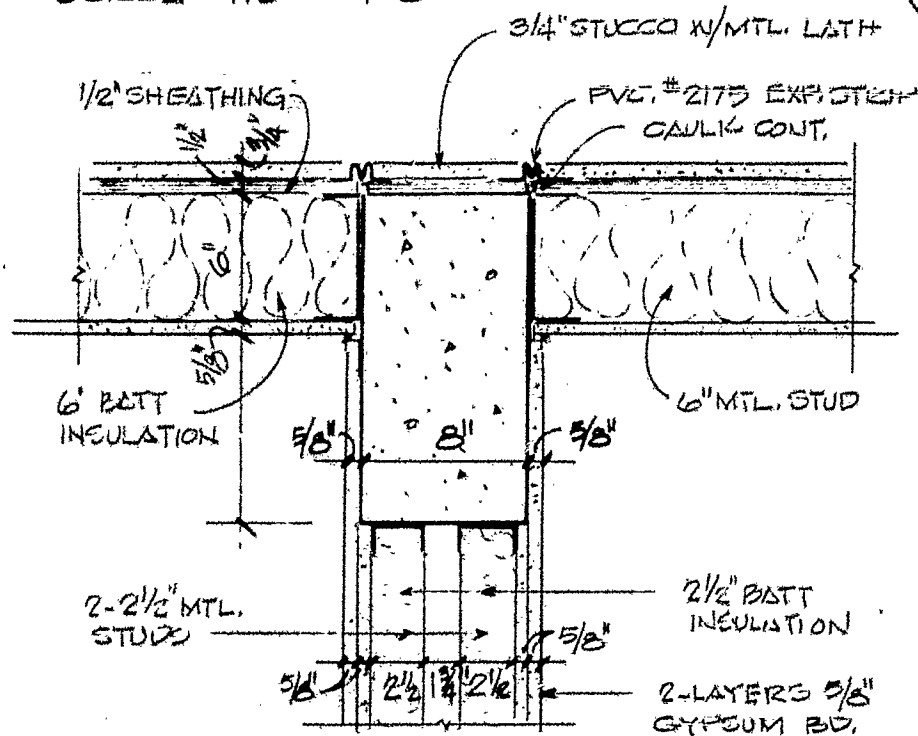
8
A-14



TYPICAL COL./WALL DETAIL

SCALE 1 1/2" = 1'-0"

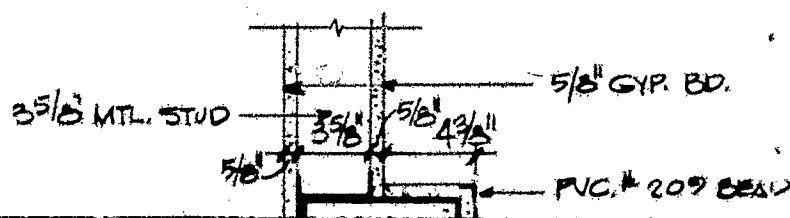
7
A-14



TYPICAL COL./WALL DETAIL

SCALE 1 1/2" = 1'-0"

5
A-14

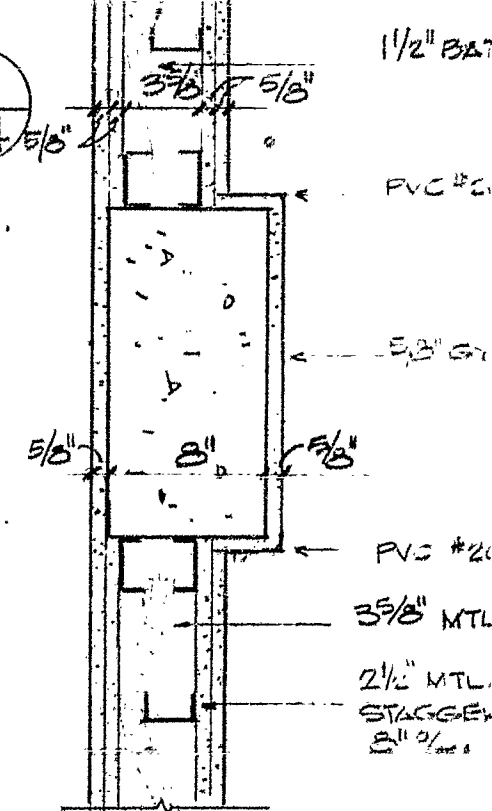
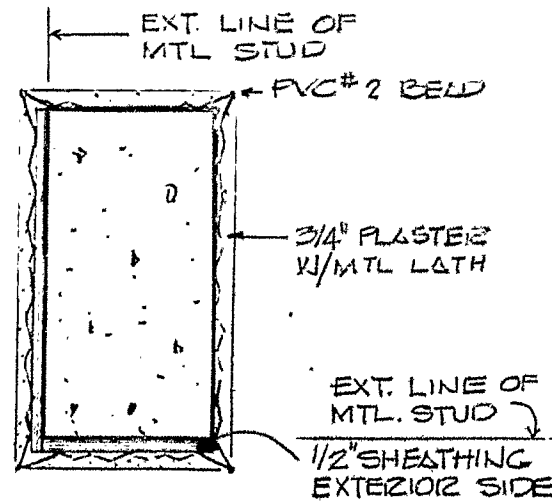


JOE W. AMSPACHER - ARCHITECT
1901 NORTH NINTH AVE.
PENSACOLA, FLORIDA 32503
AC 904 434-0173
MARCH 15, 1987

MS. 41 PAGE 1826

COL./FLOOR DETAIL 12

SCALE 1/2" = 1'-0"



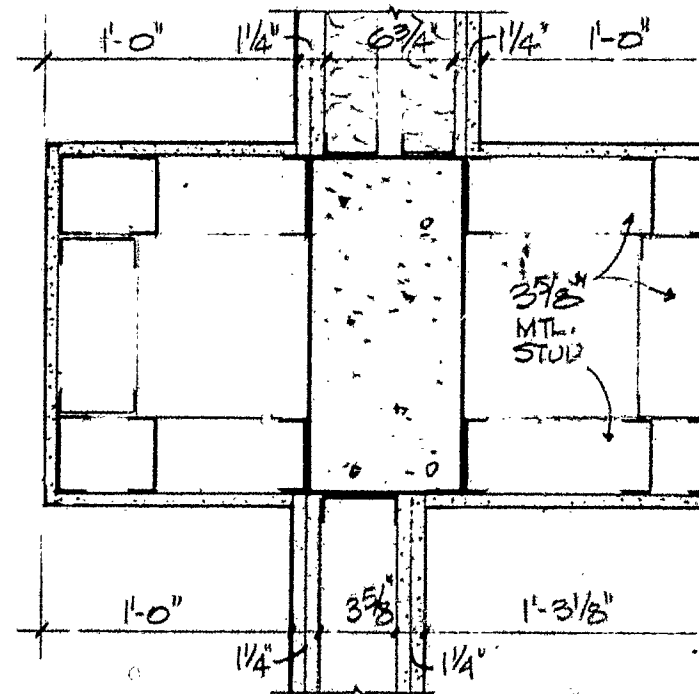
TYPICAL EXTERIOR

COL. DETAIL 13

SCALE 1/2" = 1'-0"

TYPICAL COL./WALL

SCALE 1/2" = 1'-0"



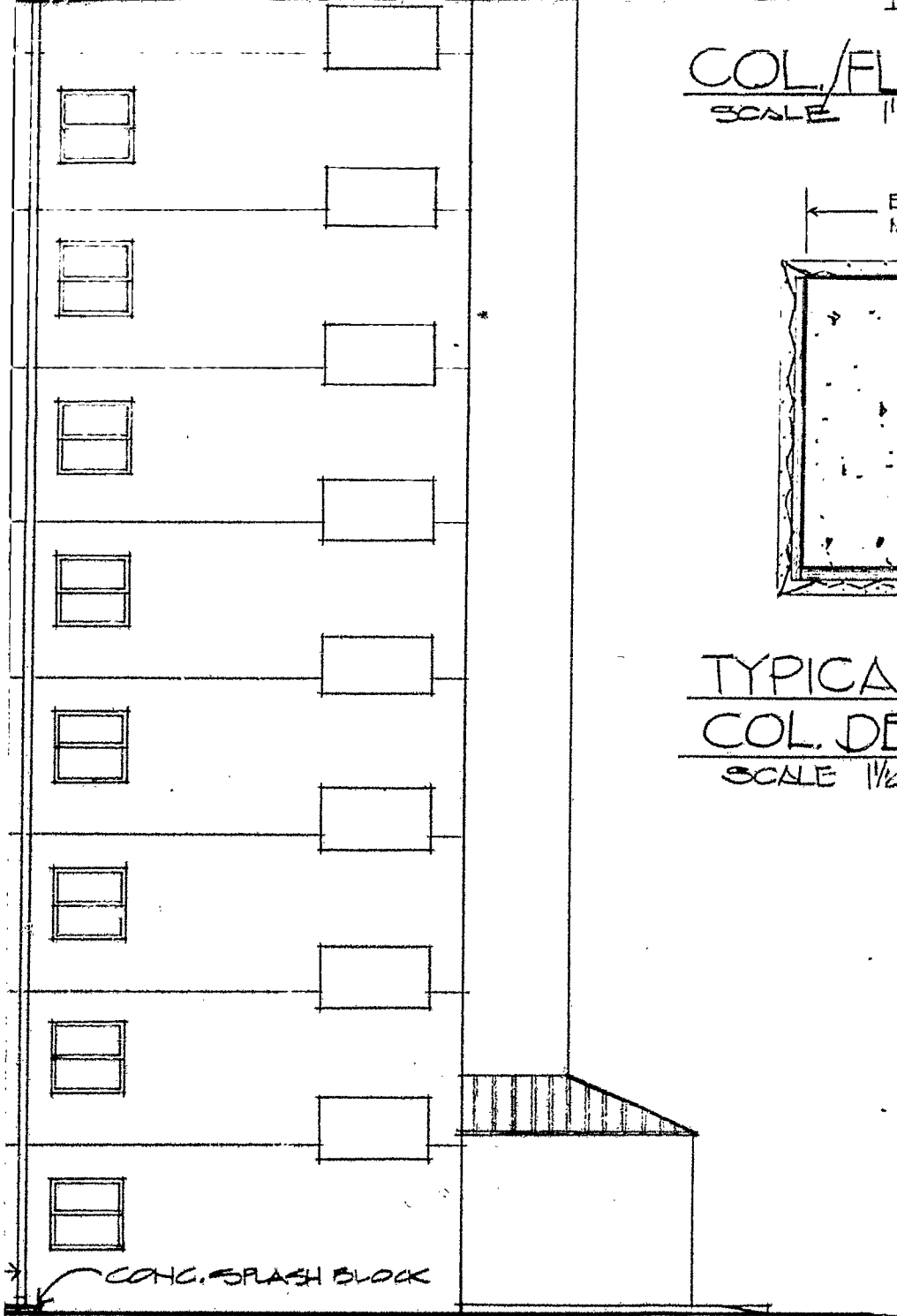
TYPICAL COL./WALL

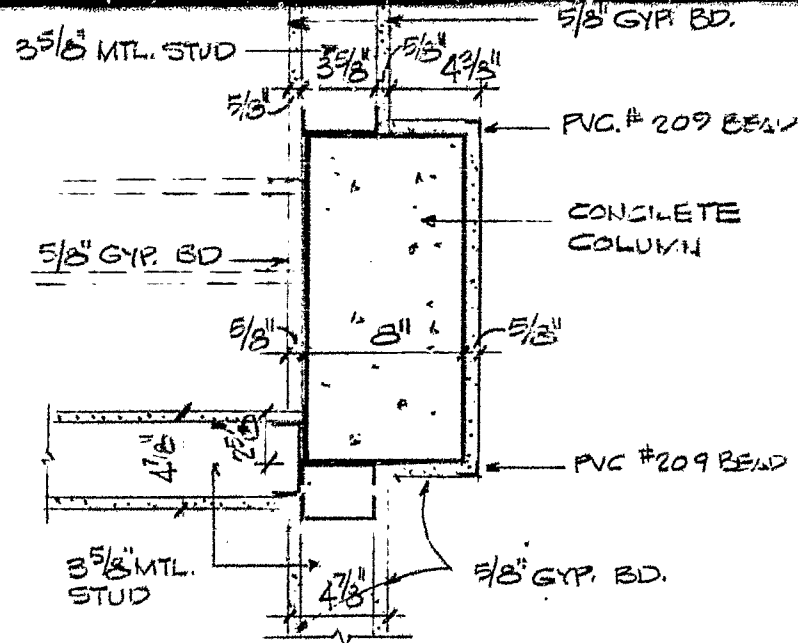
SCALE 1/2" = 1'-0"

NOTE!

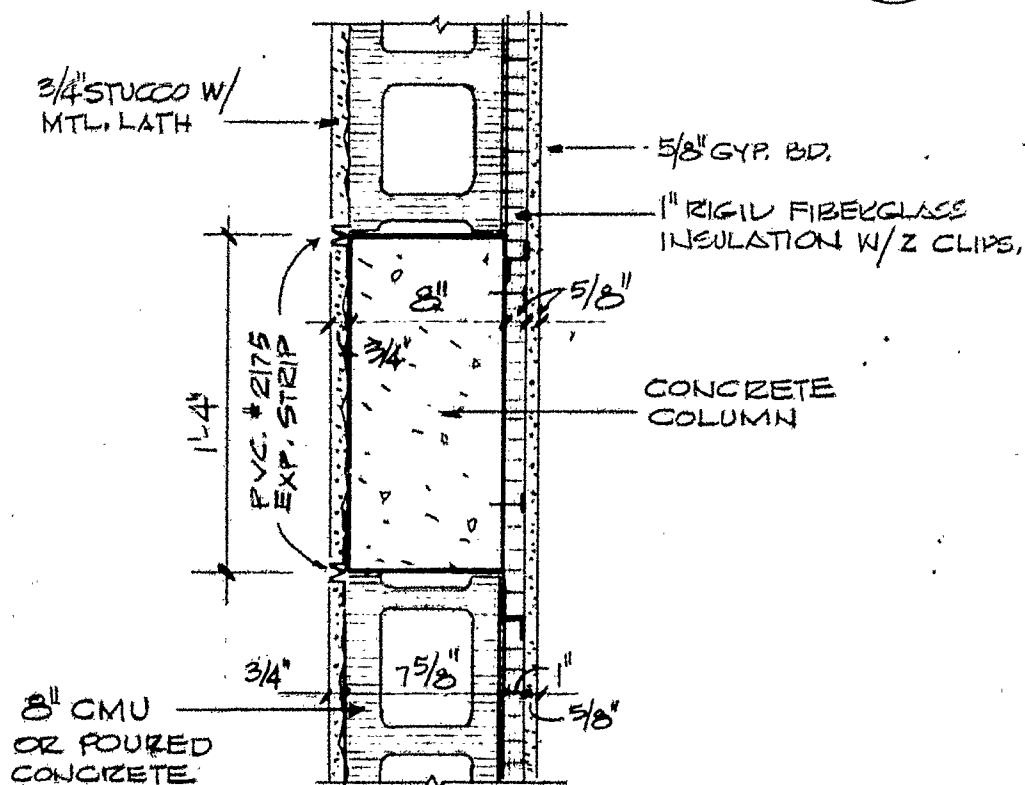
LOCATION OF VERTICAL EXP. JTS.
PINTERS, GRAVEL GUARDS, ETC. TO MATCH STUCCO.

N (PHASE TWO)





TYPICAL COL./WALL DETAIL (4)
SCALE 1 1/2" = 1'-0" A-14



TYPICAL COL./WALL DETAIL (1)
SCALE 1 1/2" = 1'-0" A-14

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

SHEET
A-14
OF 40

EXHIBIT "A" page 12

UNIV. CON. - FILED, SEC. 17
T4S. 12SE

ALABAMA HIGHWAY NO. 182

S60°09'30"W
611.72'

1524.0'

N75°52'E

111'



1"=100'

NORTH - SOUTH

PARCEL A

PARCEL B

50.11'

NORTH - SOUTH

71.68'

N75°52'E

111'

71.68'

GULF OF MEXICO

STATE OF ALABAMA
COUNTY OF BALDWIN

WISL. 41 PAGE 1829

I, David M. Givens, a registered surveyor of the State of Alabama hereby certify that the foregoing is a true and correct map of the following described property to wit:

Commencing at the Northwest corner of Fractional Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama; run thence South 00°09'30" West a distance of 611.72 feet to a point on the South line of Alabama Highway No. 182; run thence North 75°59' East along the said South line a distance of 1524.0 feet to the point of beginning of the property herein described; continue thence North 75°59' East along said South line a distance of 111.0 feet; run thence South a distance of 501 feet more or less to the margin of the Gulf of Mexico; run thence Southwestwardly along the margin of the Gulf of Mexico a distance of 111 feet more or less; run thence North a distance of 505 feet more or less to the point of beginning.

Commencing at the Northwest corner of Fractional Section 17, Township 9 South, Range 5 East, Baldwin County, Alabama; run thence South 00°09'30" West a distance of 611.72 feet to a point on the South line of Alabama Highway No. 182; run thence North 75°59' East along the said South line a distance of 1635.0 feet to the point of beginning of the property herein described; continue thence North 75°59' East along said South line a distance of 89.0 feet; run thence South a distance of 497 feet more or less to the margin of the Gulf of Mexico; run thence Southwestwardly along the margin of the Gulf of Mexico a distance of 89 feet more or less; run thence North a distance of 501 feet more or less to the point of beginning.

David M. Lewis
Alabama Registration No. 10367

EXHIBIT "B", PAGE 1

EXHIBIT "B" page 1

804-594-7387 - Dul.

TABLE 1

| | | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| UNIT 801 | UNIT 802 | UNIT 803 | UNIT 804 | UNIT 805 | UNIT 806 | UNIT 807 | UNIT 808 |
| 1875 S.F. | 1400 S.F. | 1400 S.F. | 1030 S.F. | 1030 S.F. | 1400 S.F. | 1400 S.F. | 1875 S.F. |
| UNIT 701 | UNIT 702 | UNIT 703 | UNIT 704 | UNIT 705 | UNIT 706 | UNIT 707 | UNIT 708 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 601 | UNIT 602 | UNIT 603 | UNIT 604 | UNIT 605 | UNIT 606 | UNIT 607 | UNIT 608 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 501 | UNIT 502 | UNIT 503 | UNIT 504 | UNIT 505 | UNIT 506 | UNIT 507 | UNIT 508 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 401 | UNIT 402 | UNIT 403 | UNIT 404 | UNIT 405 | UNIT 406 | UNIT 407 | UNIT 408 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 301 | UNIT 301 | UNIT 303 | UNIT 304 | UNIT 305 | UNIT 306 | UNIT 307 | UNIT 308 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 201 | UNIT 202 | UNIT 203 | UNIT 204 | UNIT 205 | UNIT 206 | UNIT 207 | UNIT 208 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | 670 S.F. | 950 S.F. | 950 S.F. | 1250 S.F. |
| UNIT 101 | UNIT 102 | UNIT 103 | UNIT 104 | | UNIT 106 | UNIT 107 | UNIT 108 |
| 1250 S.F. | 950 S.F. | 950 S.F. | 670 S.F. | | 950 S.F. | 950 S.F. | 1250 S.F. |

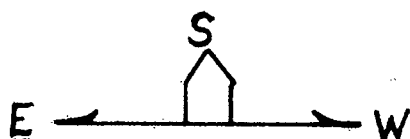


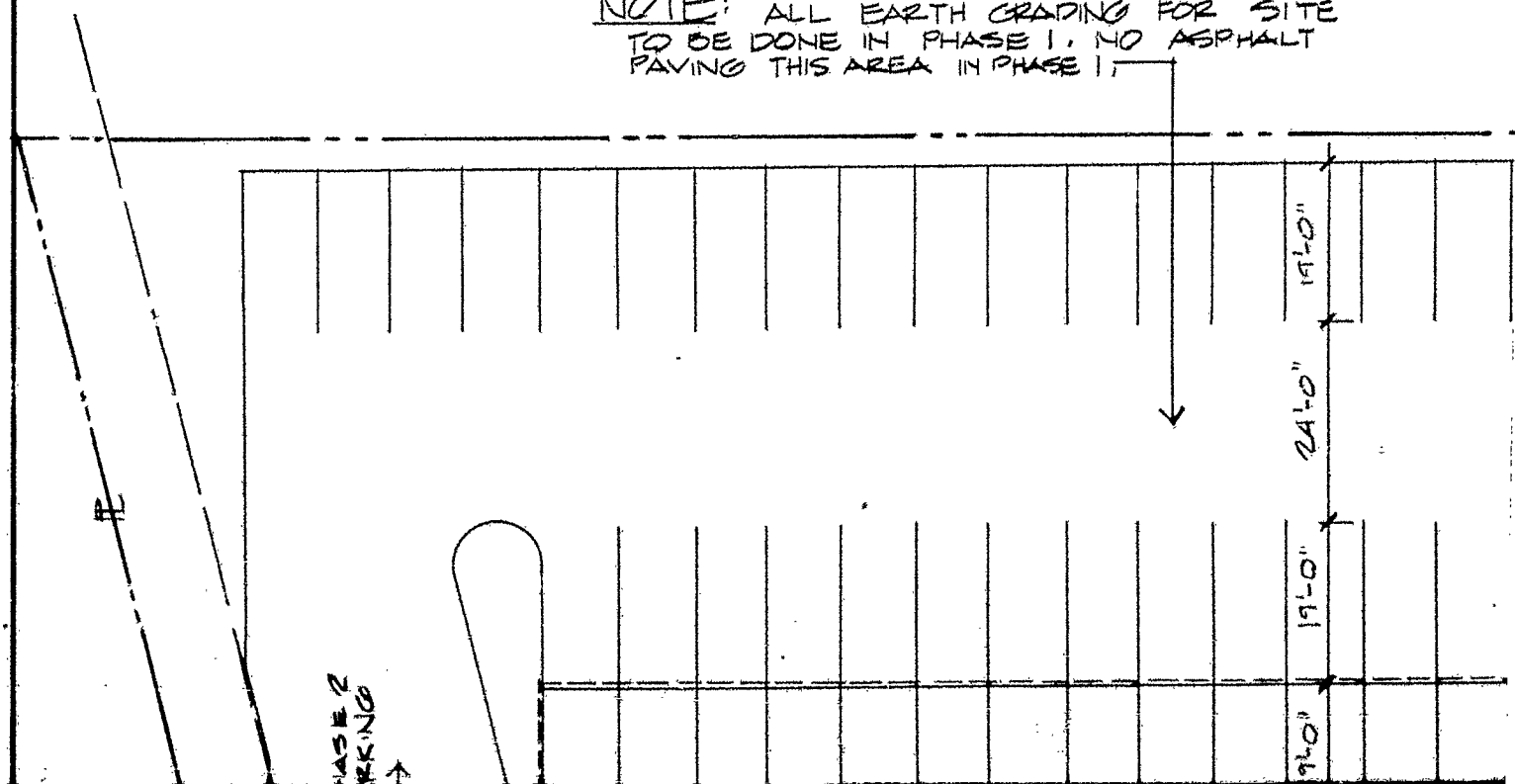
EXHIBIT "B", PAGE 2

FRONT ELEVATION

UNIT NUMBER IDENTIFICATION/NO. OF SQUARE FEET OF PRIVATE ELEMENTS

PHASE I AND PHASE II - 63 UNITS

NOTE: ALL EARTH GRADING FOR SITE
TO BE DONE IN PHASE I. NO ASPHALT
PAVING THIS AREA IN PHASE I.



NO. 11-10-1833

SOUTH 497' ±

10' 0"

CONC. WALK

H.C.

NOTE

JOE W. AMSPACHER - ARCHITECT
1901 NORTH NINTH AVE.
PENSACOLA, FLORIDA 32503
A.C. 904 434-0123 MARCH 15, 1982

ALABAMA HWY. 100-120' R.O.W.

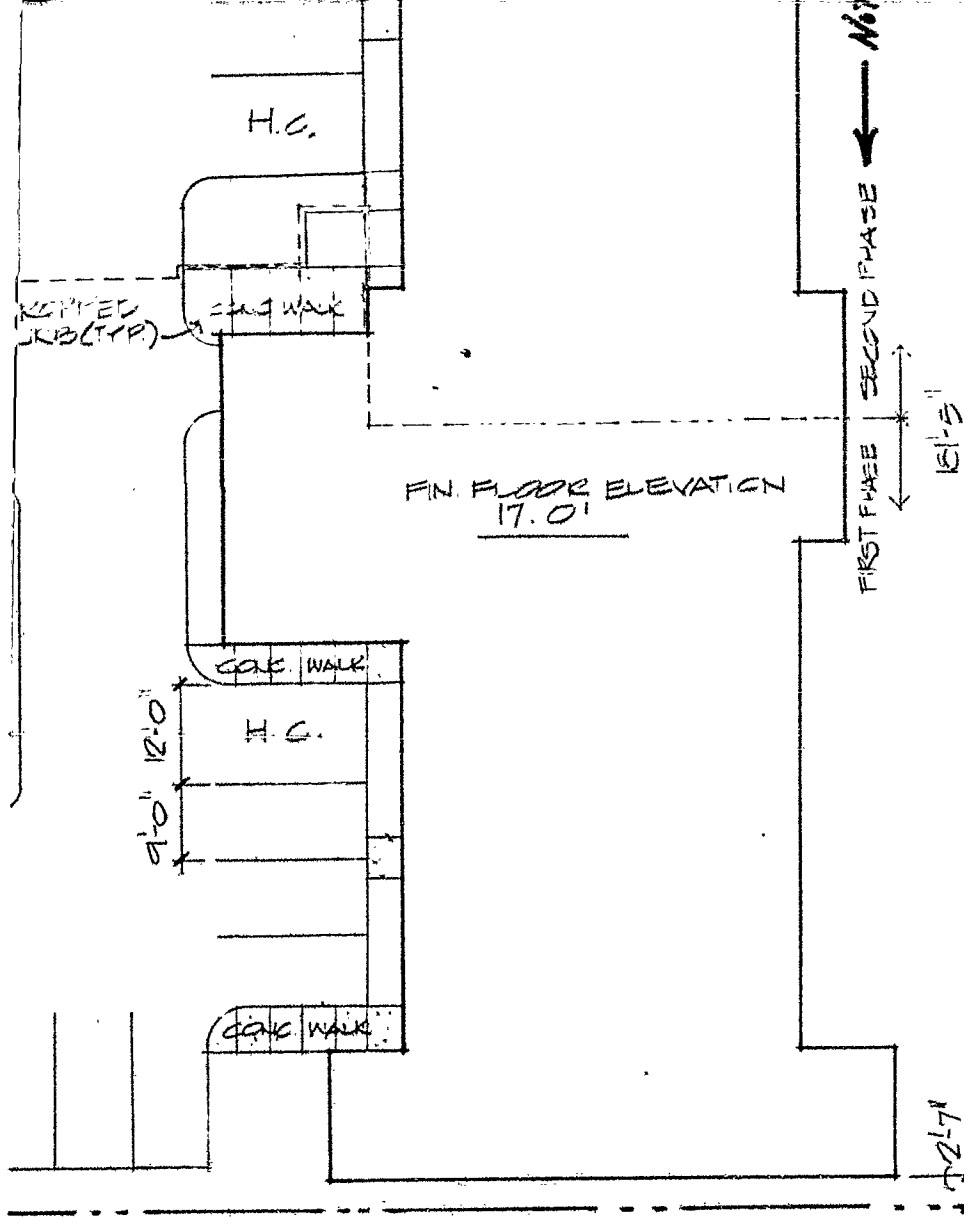
NORTH 75° 55' E 100'

PHASE 1
PARKING

PHASE 2
PARKING

10.0'

LINE OF UTILITY
EASEMENT



SITE PLAN
SCALE 1" = 20'-0"

NOTE!
SEE C
FOR S
OTHER

LEGAL DESCR

COMIENCING A
TOWNSHIP 9 S
SOUTH 00° 09'
SOUTH LINE O
EAST ALONG TI
POINT OF BEG
NORTH 75° 59'
RUN THENCE S
OF THE GULF
OF THE GULF
NORTH A DIST

GULF OF MEXICO

200'

APPARENT HIGH
TIDE LINE

DRAWINGS
READING AND
NOTATION.

NORTHWEST CORNER OF FRACTIONAL SECTION 17,
RANGE 5 EAST, BALDWIN COUNTY, ALABAMA; RUN THENCE
A DISTANCE OF 611.72 FEET TO A POINT ON THE
ALABAMA HIGHWAY NO. 182; RUN THENCE NORTH 75°59'
SOUTH LINE A DISTANCE OF 1524.0 FEET TO THE
OF THE PROPERTY HEREIN DESCRIBED; CONTINUE THENCE
ALONG SAID SOUTH LINE A DISTANCE OF 200.0 FEET;
A DISTANCE OF 497 FEET MORE OR LESS TO THE MARGIN
CO; RUN THENCE SOUTHWESTWARDLY ALONG THE MARGIN
TO A DISTANCE OF 200 FEET MORE OR LESS; RUN THENCE
505 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

EXHIBIT "B" page 3

SHEET
A-1
OF 60

(819)

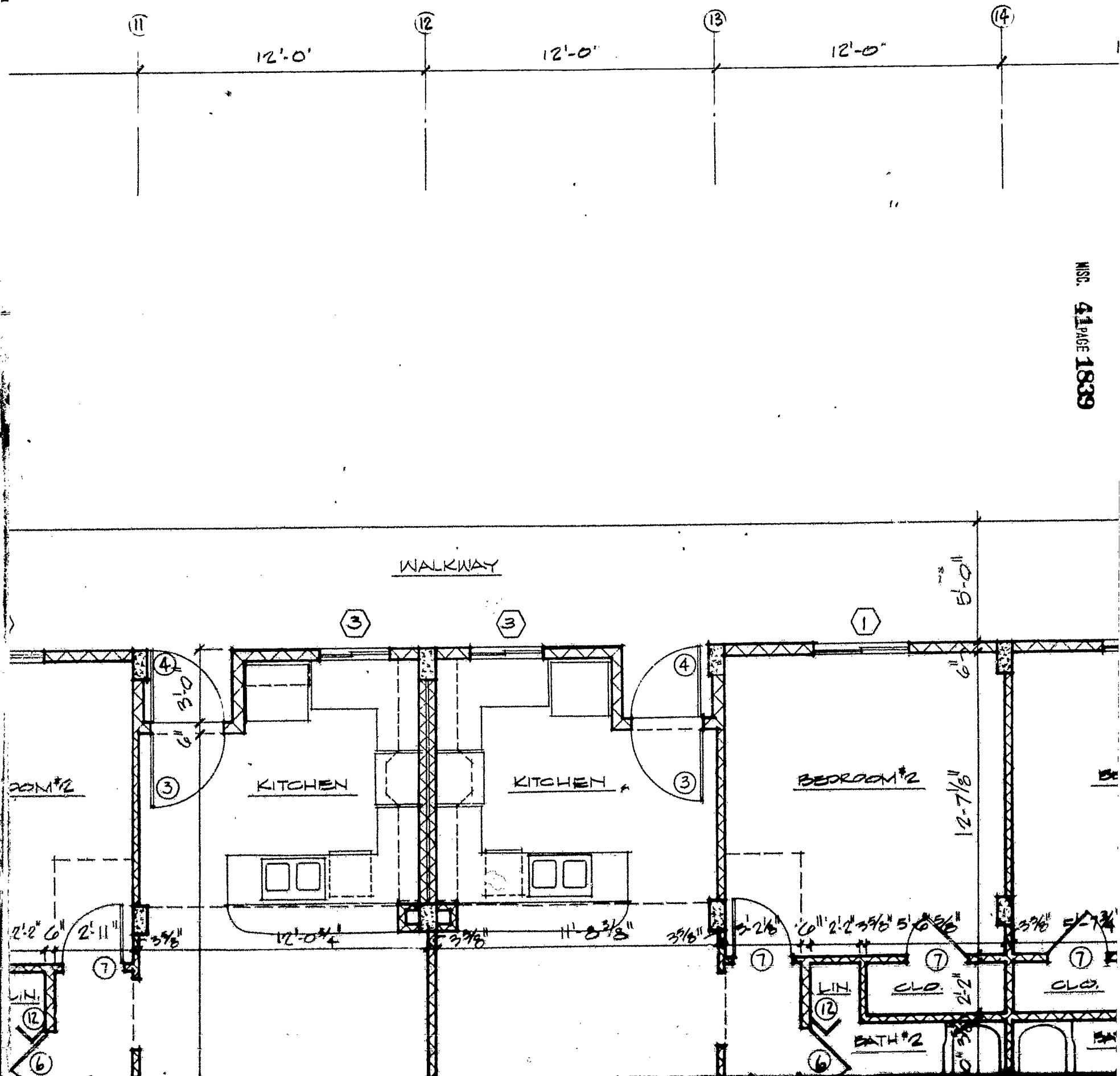
4" 7 5/8" 4"

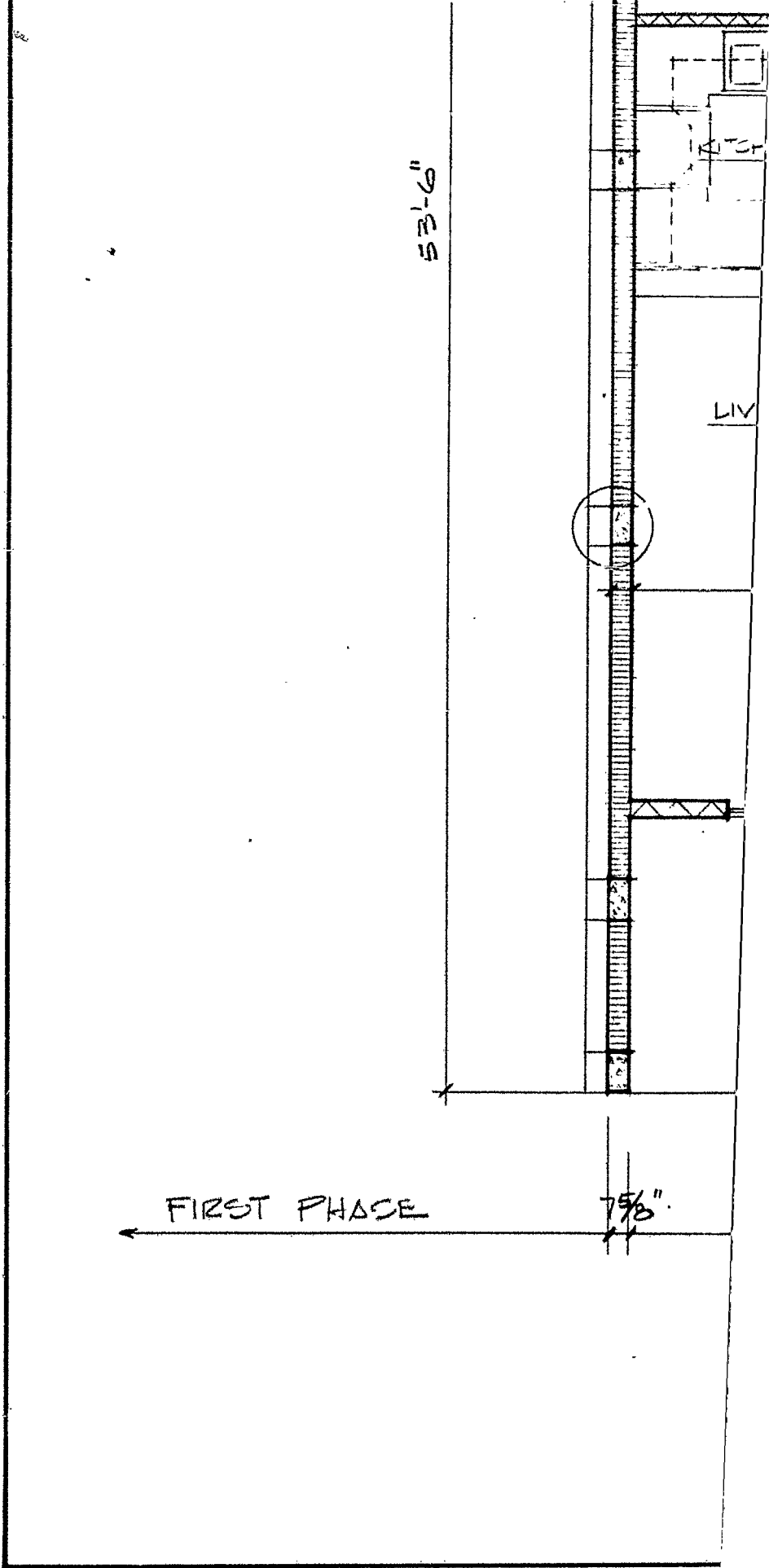
7'-11"

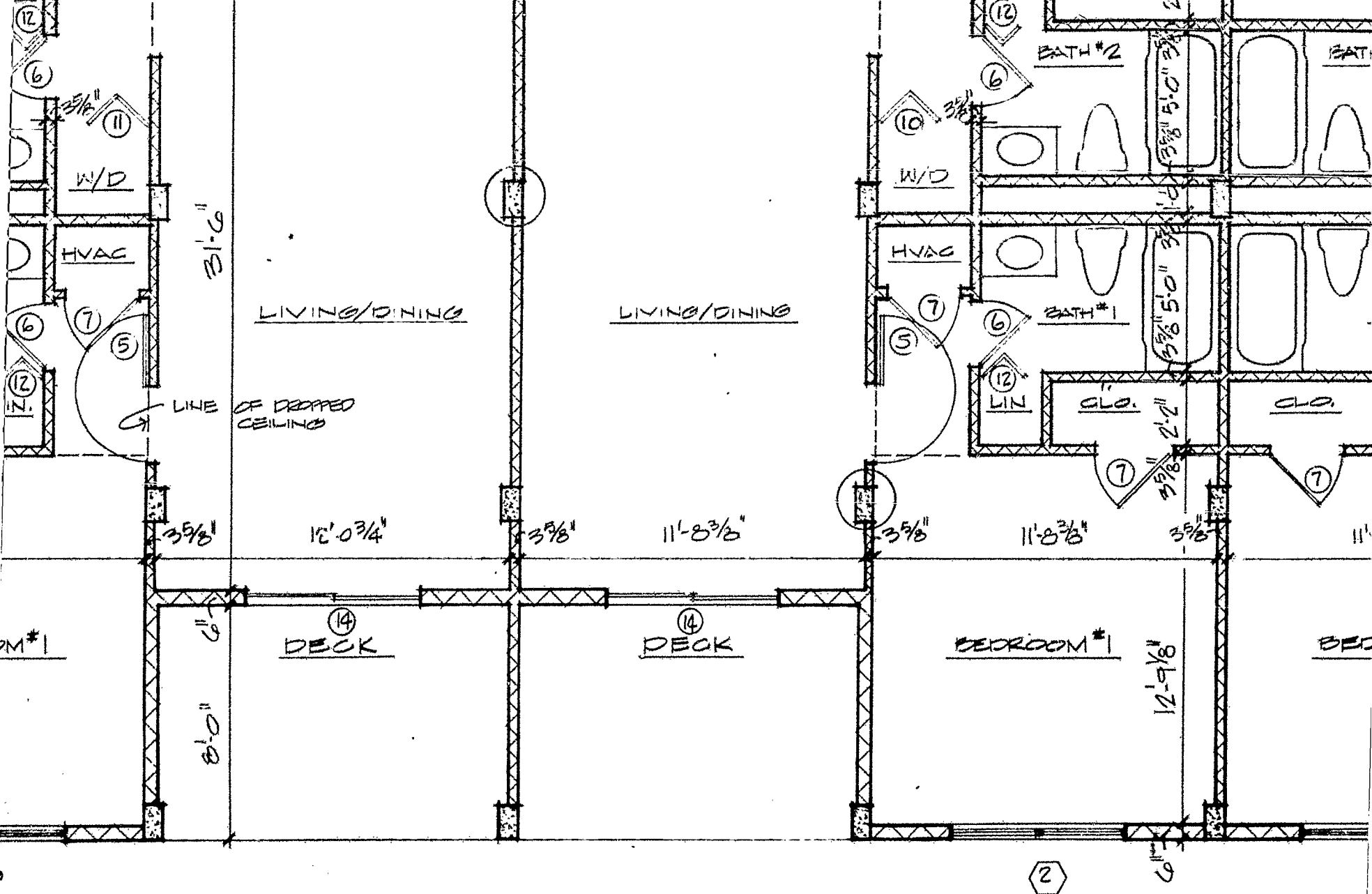
4'-8"

REC
(32)

7 5/8"



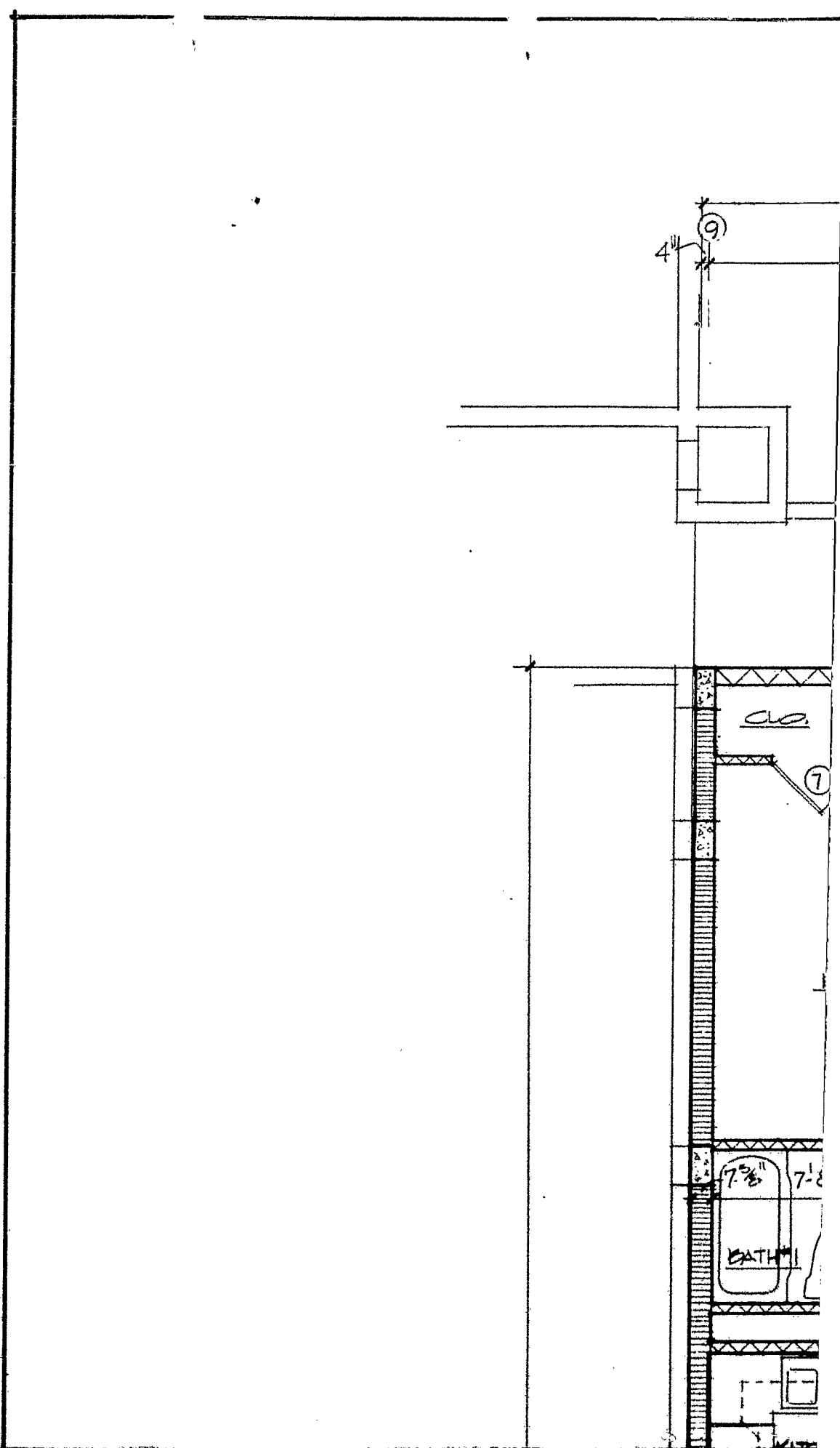




89'-4 3/4"

FIRST FLOOR PLAN - SECOND

SCALE: 1/4" = 1'-0"



70'-8"

12'-0"

12'-0"

12'-0"

12'-0"

WISC. 41 PAGE 1845

WALKWAY

KITCHEN

KITCHEN

BEDROOM #2

BEDR

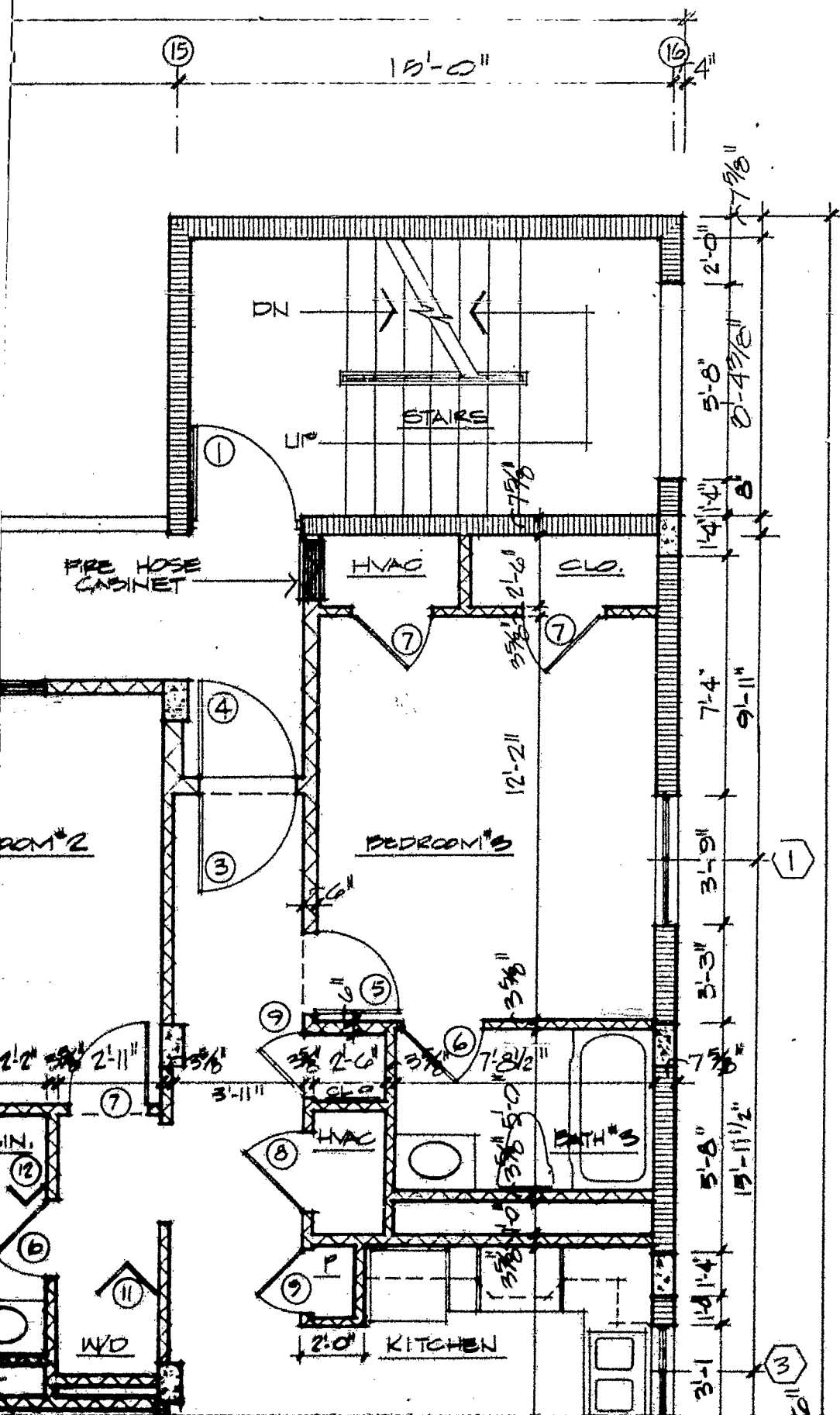
LIVING/DINING

LIVING/DINING

BATH #2

BATH #2

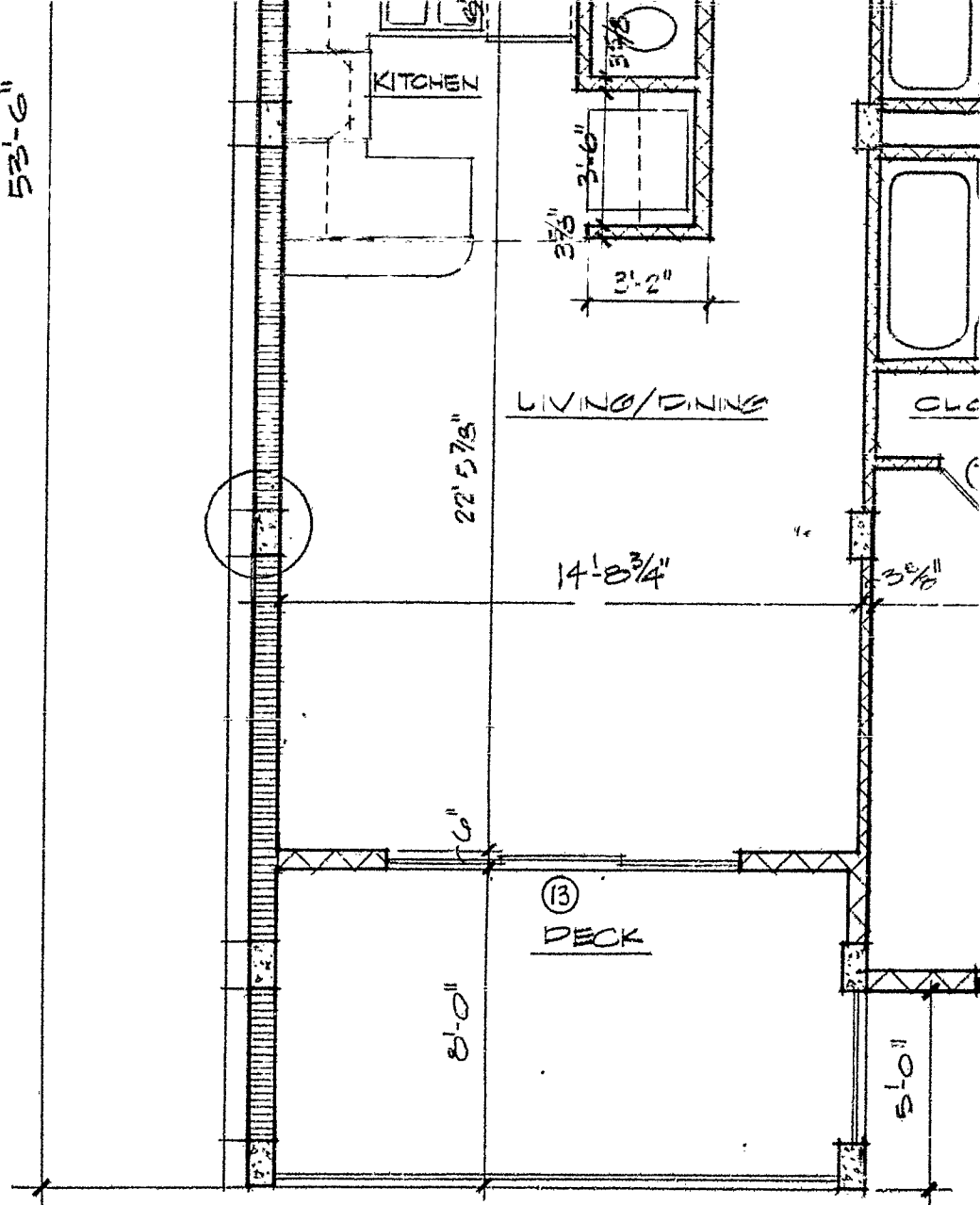
N/O



JOE W. AMSPACHER - ARCHITECT
 1901 NORTH-NINTH AVE,
 PENSACOLA, FLORIDA 32503
 A.C. 904 434-0123 MARCH 15, 1982

FIRST PHASE

53'-6"



LIVING/DINING

LIVING/DINING

11'-6"

BATH #2

BATH #2

W/D

HVAC

BATH #1

LIN

CLO.

CLO.

12'-0 3/4"

11'-8 3/8"

11'-8 3/8"

11'-4"

DECK

DECK

BEDROOM #1

BEDROOM #2

8'-0"

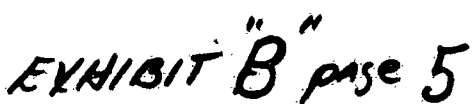
89'-4 3/4"

MISC. 41 PAGE 1848

SECOND THROUGH SEVENTH FLOOR PLAN

SCALE: 1/4" = 1'-0"

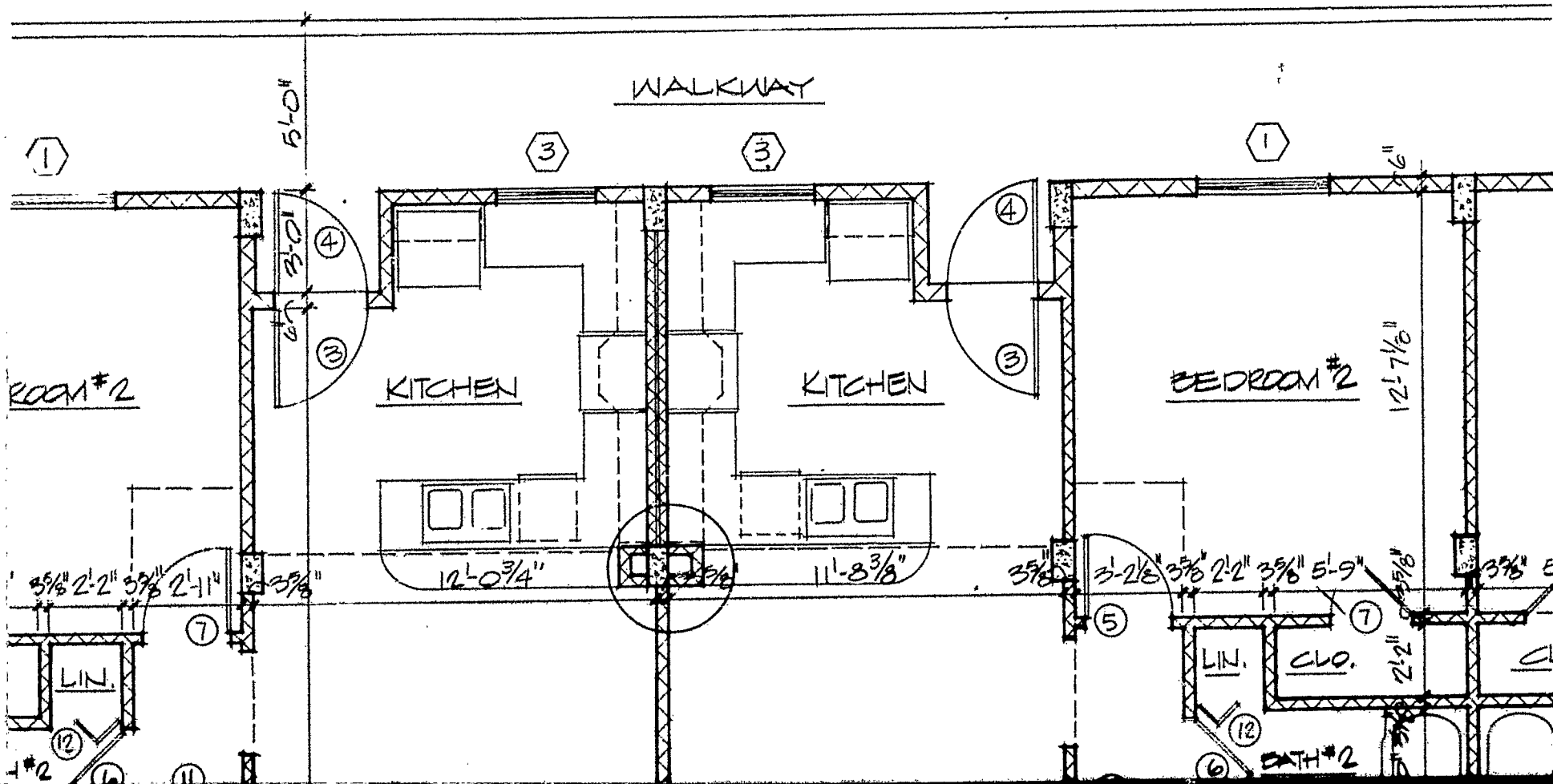
SHEET
A-7
OF 60

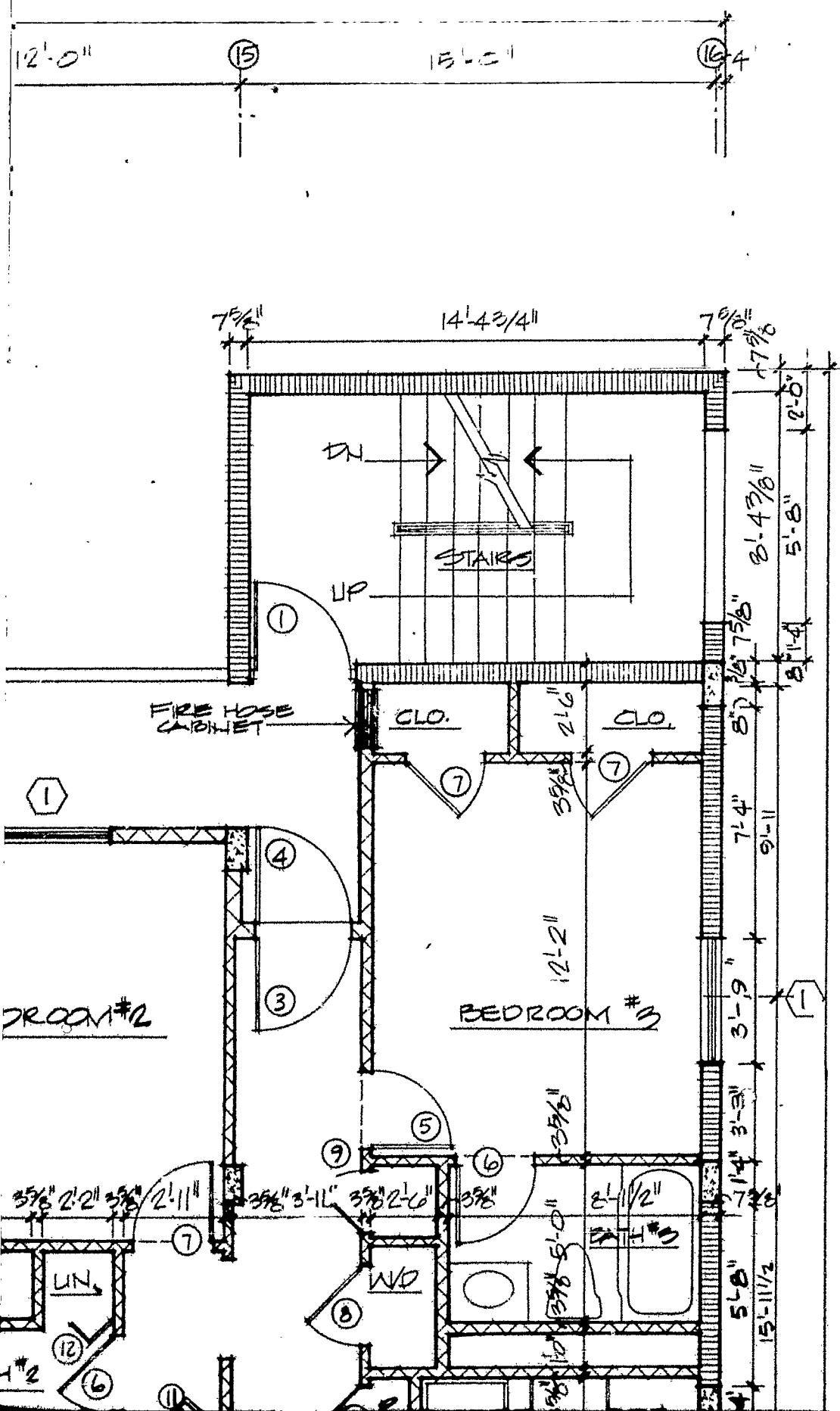


Hand-drawn floor plan of a house. The plan includes the following rooms and features:

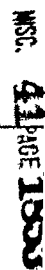
- Bedroom #1:** Located in the upper left, measuring 12'-7 5/8" by 10'-6 1/2". It contains a bed and a closet (CLO.) measuring 5'-5 1/8" by 4'-0 3/8".
- Bedroom #2:** Located in the lower left, measuring 12'-7 5/8" by 10'-6 1/2". It contains a bed and a closet (CLO.) measuring 5'-5 1/8" by 4'-0 3/8".
- Bathroom:** Located between the two bedrooms, measuring 5'-5 1/8" by 4'-0 3/8". It contains a toilet and a sink.
- Hallway:** A central hallway measuring 5'-5 1/8" by 4'-0 3/8" connects the bedrooms and bathroom.
- Stairs:** Located at the bottom center, labeled "UP".
- Living Area:** Located on the right side, measuring 12'-7 5/8" by 10'-6 1/2". It contains a sofa and a coffee table.
- Kitchen:** Located at the bottom right, measuring 12'-7 5/8" by 10'-6 1/2". It contains a stove, sink, and refrigerator.
- Entry:** Located at the bottom left, measuring 5'-5 1/8" by 4'-0 3/8".
- Dimensions:** The overall dimensions of the house are 24'-0" by 36'-0".
- Notes:** The plan includes several notes such as "CLO.", "UP", and "DOWN" indicating closet locations and stair directions.

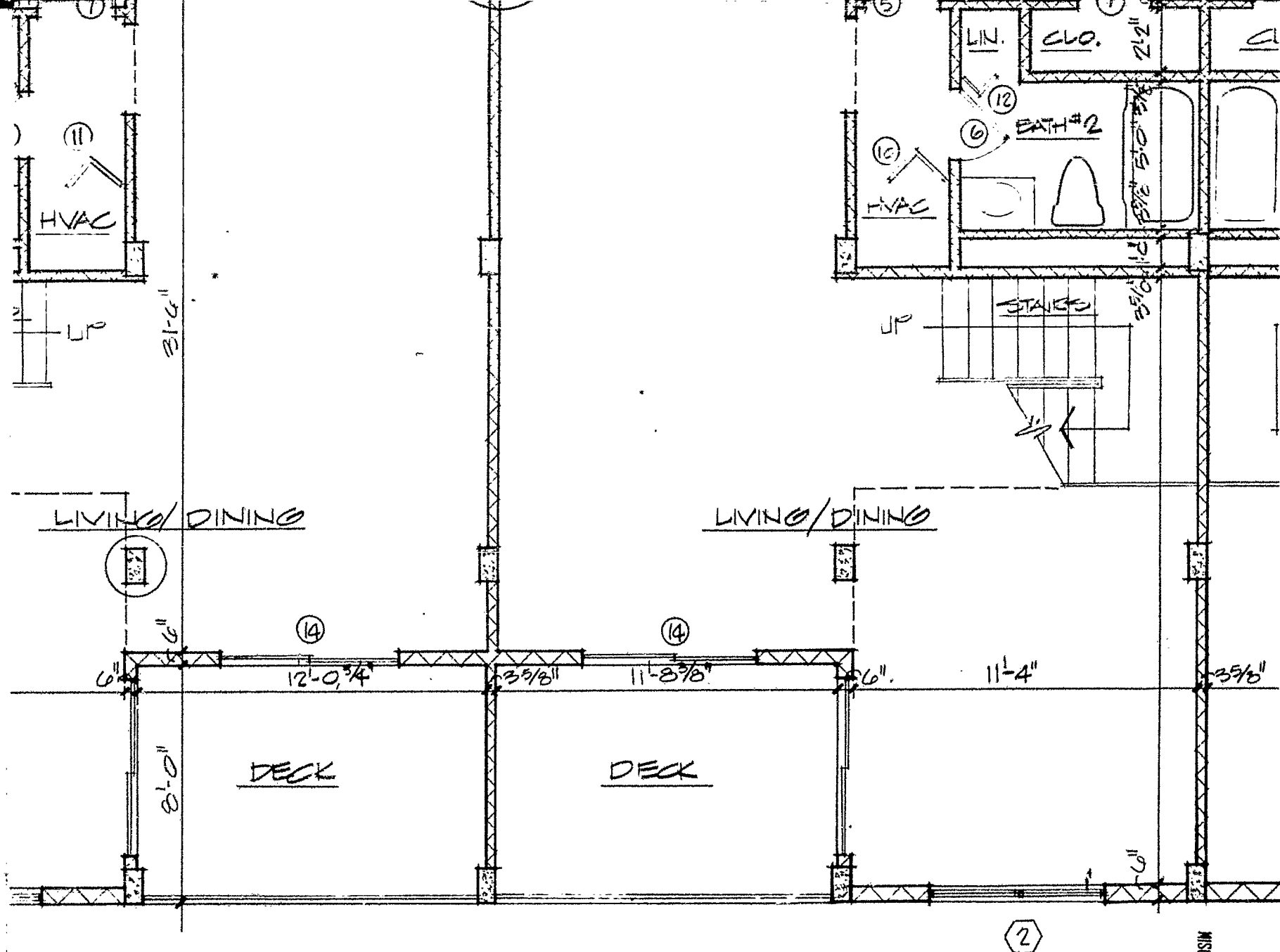
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 1901 NORTH NINTH AVE.
 PENSACOLA, FLORIDA 32503
 A.C. 904 434-0123 MARCH 15, 1982

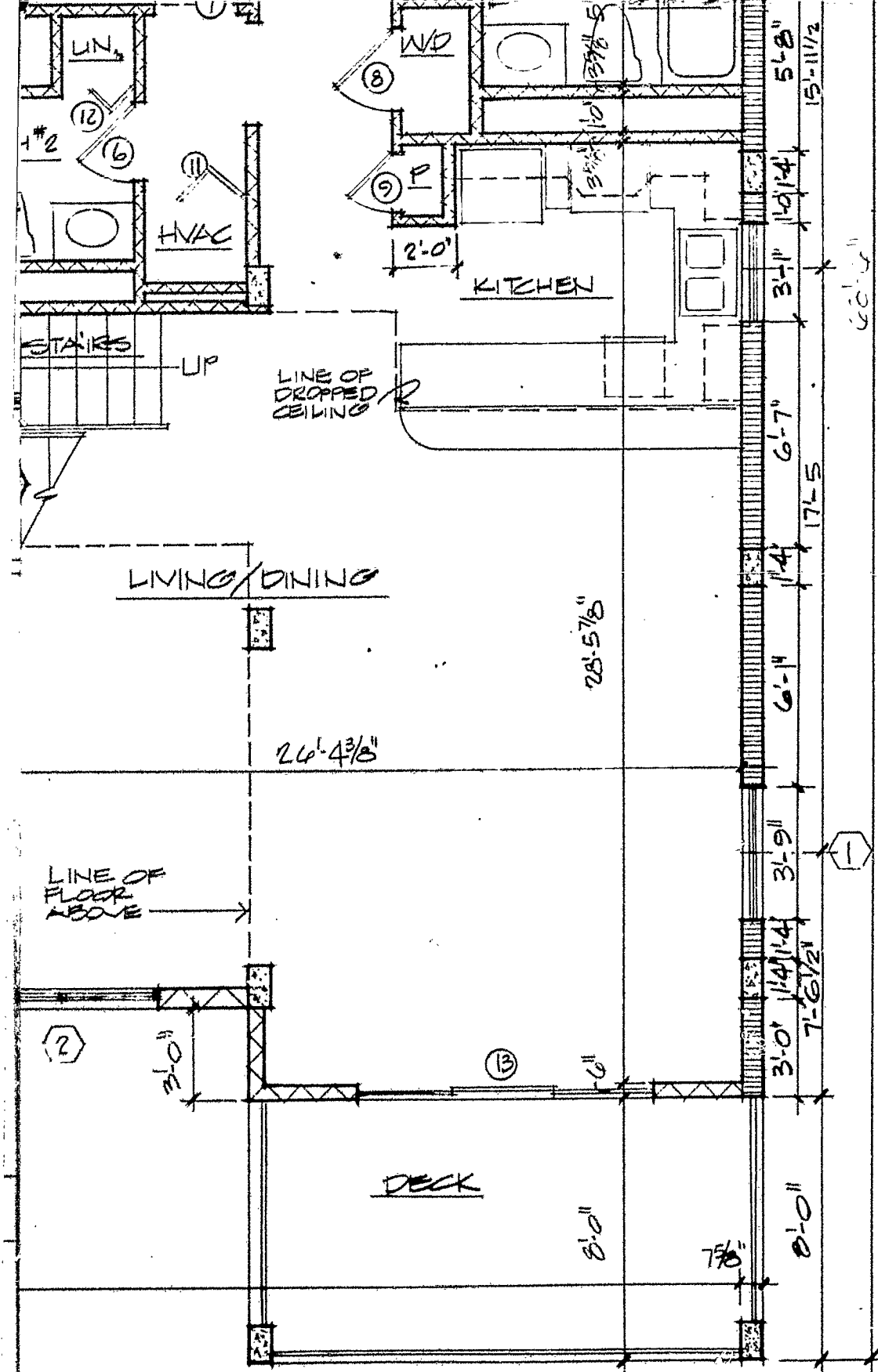




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EIGHTH FLOOR PLAN - SECOND

SCALE: 1/4" = 1'-0"



PHASE

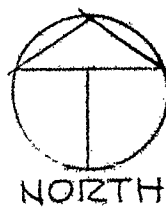
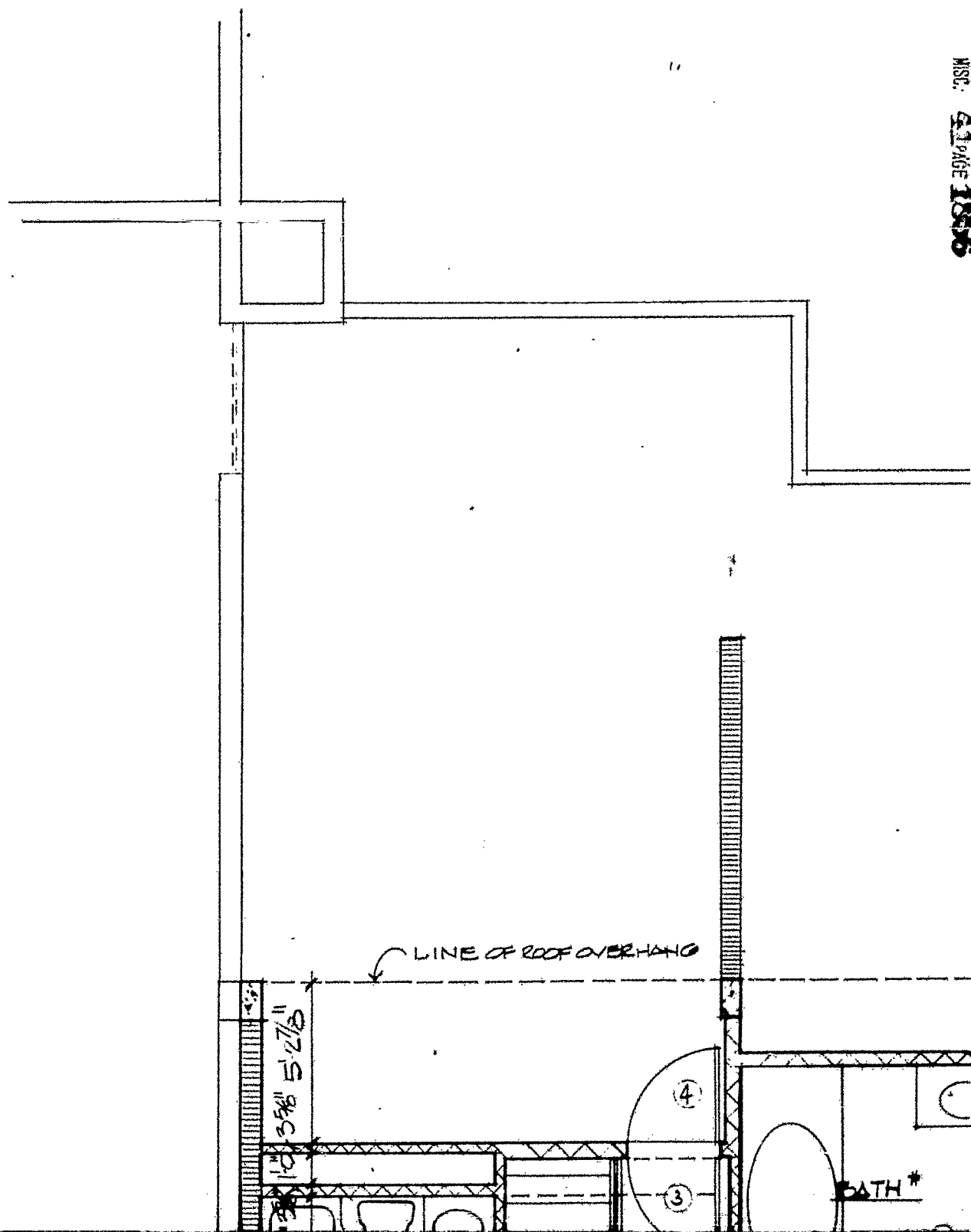


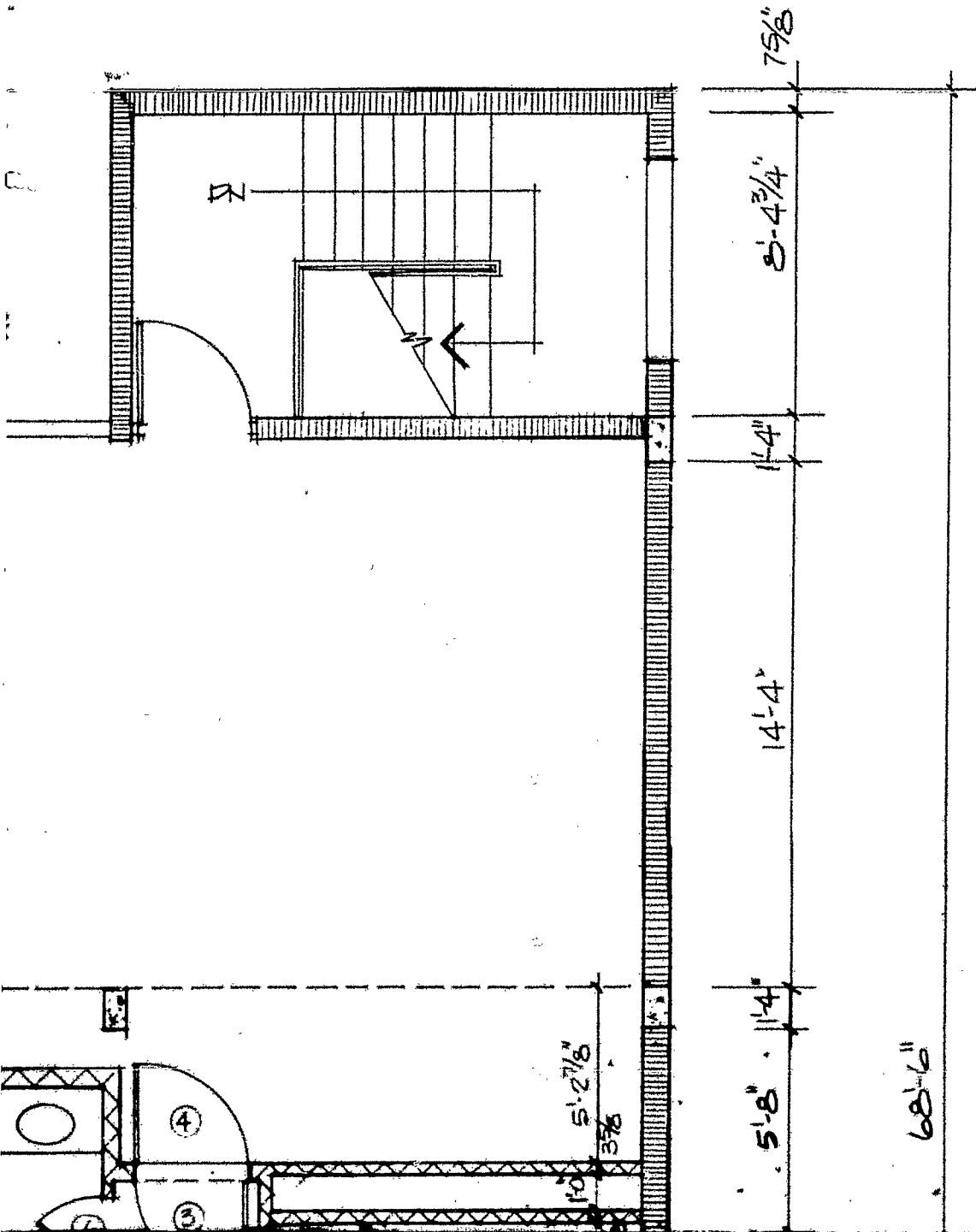
EXHIBIT "B" page 6

SUNSWEEP CONDOMINIUMS
ROMAR BEACH, ALABAMA

SHEET
A-8
OF 40

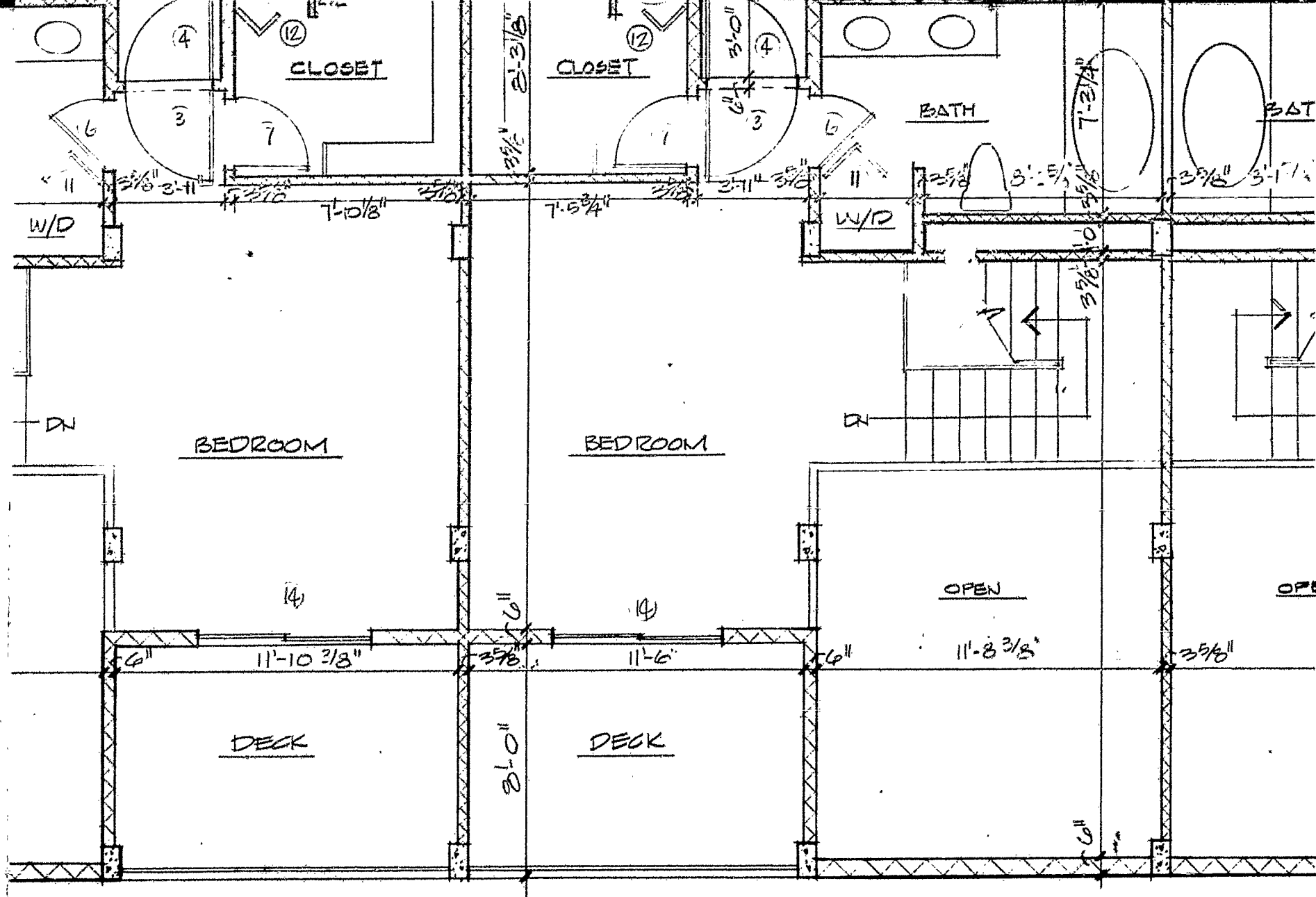


Hand-drawn architectural floor plan of a building section. The plan shows a central corridor with two rooms labeled "CLOSET" on either side. Dimensions are provided for various sections: 15'-8" for the top section, 5'-15/8" and 4'-9 1/4" for the closet widths, and 2'-6" for the closet depths. A vertical dimension of 8'-3 1/8" is shown for the central corridor. The plan also includes circular features, possibly doors or windows, and a dashed line indicating a boundary or wall. The drawing is labeled "PLAN" in the bottom right corner.



JOE W. AMSPACHER - ARCHITECT
 1901 NORTH NINTH AVE,
 PENSACOLA, FLORIDA 32503
 A.C. 904 434-0123 MARCH 15, 1982.





NINTH FLOOR PLAN - SECOND PH.
 SCALE: 1/4" = 1'-0"

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 fractional undivided interest in the Common Elements which fraction shall have as its numerator a number equal to the number of square feet of Private Elements within each Unit and as its denominator the total number of square feet of Private Elements in the entire Condominium as follows:

PHASE I

| <u>UNIT NOS.</u> | <u>OWNERSHIP INTEREST IN COMMON ELEMENTS</u> |
|------------------------|--|
| 205 - 705 | $\frac{670}{31775} = 2.1086\%$ |
| 106 - 706 107 - 707 | $\frac{950}{31775} = 2.9898\%$ |
| 108 - 708 | $\frac{1250}{31775} = 3.9339\%$ |
| 808 | $\frac{1875}{31775} = 5.9009\%$ |
| 806 & 807 | $\frac{1400}{31775} = 4.4060\%$ |
| 805 | $\frac{1030}{31775} = 3.2415\%$ |

EXHIBIT "C", PAGE 2

FUTURE PHASE

In the event of and upon the submission of Phase II to the condominium form of ownership in accordance with the provisions of this Declaration, there shall be allocated to each Unit in each Phase, including the Units in Phase I, a total undivided interest in all Common Elements in both Phases equal to a fraction which shall have as its numerator the number of square feet within the Private Elements of such Unit and as its denominator the total number of square feet of Private Elements in all Units then submitted to this Declaration of Condominium. Each future Unit Owner does hereby agree to the submission of the Future Phase into this Condominium and the consequent changing and dilution of each Unit Owner's undivided interest in the Common Elements. the undivided interest to be allocated in the future to Units in Phase I and to each Unit within the Future Phase (Phase II) shall be determined in the manner herein provided and shall be as follows:

PHASE I AND PHASE II

| <u>UNIT NOS.</u> | <u>OWNERSHIP INTEREST IN COMMON ELEMENTS</u> |
|------------------|--|
| 101 - 701 | $\frac{1250}{64220} = 1.9464\%$ |
| 102 - 702 | $\frac{950}{64220} = 1.4793\%$ |
| 103 - 703 | |
| 104 - 704 | $\frac{670}{64220} = 1.0433\%$ |
| 205 - 705 | |
| 106 - 706 | $\frac{950}{64220} = 1.4793\%$ |
| 107 - 707 | |
| 108 - 708 | $\frac{1250}{64220} = 1.9464\%$ |
| 801 & 808 | $\frac{1875}{64220} = 2.9197\%$ |
| 802 & 803 | $\frac{1400}{64220} = 2.1800\%$ |
| 806 & 807 | |
| 804 & 805 | $\frac{1030}{64220} = 1.6039\%$ |
| | <hr/> 100% |

EXHIBIT "D"

STATE OF ALABAMA
COUNTY OF BALDWIN

ARTICLES OF INCORPORATION
OF
SUNSWEPT 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 1-3-1 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: Sunswept 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 Sunswept Condominium (the "Condominium"), according to the Declaration of Condominium of Sunswept Condominium (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 and limited common improvements located thereon, to make payments of insurance premiums, repair expenses, and any other expenses necessary to

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the maintenance of said 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, the By-Laws of this Corporation and the Rules and Regulations.

ARTICLE IV

GENERAL POWERS

The powers of the Corporation are as follows:

1. This Corporation shall have the power to own, accept, acquire, 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.

MISC. 41 PAGE 1865.

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 one (1) vote for each square foot of Private Elements within the Unit owned. When more than one (1) person holds an interest in any Condominium unit, all such persons shall be members. The vote for such Condominium unit shall be exercised as they, among themselves, shall determine but, in no event, shall more than one (1) vote for each square foot of Private Elements owned be cast with respect to any Condominium unit.

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 Star Route B, Box 1240, Orange Beach, Alabama 36561, and the name of the initial registered agent at such address is Thomas G. Nonnenmacher.

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ARTICLE IX

BOARD OF DIRECTORS

Except as provided herein, the affairs of this Corporation shall be managed by a board of five (5) 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 and as provided in the Declaration, 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 five (5) persons:

| <u>Name</u> | <u>Address</u> |
|------------------------|--|
| Thomas G. Nonnenmacher | Star Route B, Box 1240 Orange Beach, Alabama 36561 |
| Milton Andrews | 4517 Dolly Ridge Birmingham, Alabama 35243 |
| Frank A. Kruse | 6414 Carlson Drive New Orleans, Louisiana 70113 |
| Paul Blanton | Star Route B, Box 1290 Orange, Beach, Alabama 36561 |
| Horton Townes | 102 Holly Lane Grenada, Mississippi 38901 |

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

MSC. 41 PAGE 1867

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 and limited common elements of the Condominium, 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 and limited 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 and limited common elements shall be subordinate to a recorded first mortgage covering such condominium unit.

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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 two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose. To be valid, the amount of any special assessment and the annual assessment must have the approval of the Secretary of Housing and Urban Development in accordance with Article XVI.

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.

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

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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 and limited 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 and Limited 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.

ARTICLE XVI

LIMITATIONS ON ACTIONS - HUD

So long as a contract of mortgage insurance continues in effect with respect to a unit or property located in the Condominium, and during such further period of time as the Secretary of Housing & Urban Development shall be the owner of such unit or holder, or re-insurer of any such mortgage, or during any such time the Secretary is obligated to insure a mortgage on any such unit or property, the following actions of the Board of Directors shall require the prior written approval of the Secretary.

(a) failing to allocate a minimum amount equal to \$ 7,200.00 annually for monthly payment to the reserve fund for replacements (amount to be approved by HUD);

(b) make disbursements from the reserve fund for replacements;

(c) the amount of each annual assessment and each special assessment, if any - the annual assessment shall be submitted to HUD sixty (60) days prior to the beginning of each fiscal year on a HUD Model form of budget;

(d) annexation of additional properties, mergers and consolidations;

(e) leasing, mortgaging or selling of any real or personal property of the Corporation;

(f) execution of management contract;

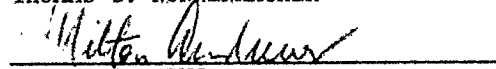
(g) dedication of any such property;


(h) dissolution of the Corporation; and

(i) amendment of the Articles and By-Laws of this Corporation.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation on this the 14th day of May, 1982.


THOMAS G. NONNENMACHER


MILTON ANDREWS


PAUL BLANTON

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for said State and County, hereby certify that THOMAS G. NONNENMACHER, MILTON ANDREWS and PAUL BLANTON, 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 the instrument, they executed the same voluntarily on the day the same bears date.

GIVEN under my hand and seal this the 14th day of May, 1982.

THIS INSTRUMENT PREPARED BY:
RAY G. RILEY, JR.
ATTORNEY AT LAW
McFADDEN, RILEY & PARKER
718 DOWNTOWNER BOULEVARD
MOBILE, ALABAMA 36609

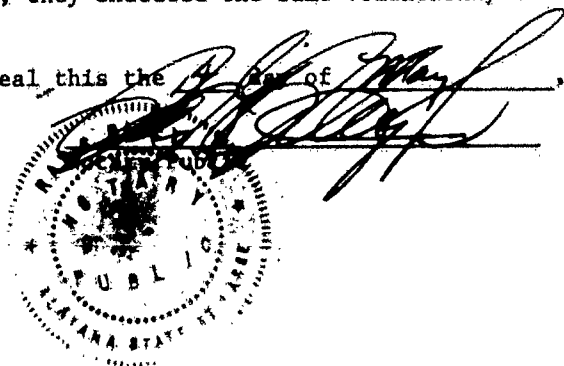


EXHIBIT "E"

BY-LAWS
OF
SUNSWEPT CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the Corporation is Sunswept Condominium Association, Inc., hereinafter referred to as the "Corporation". The principal office of the Corporation shall be located at Star Route B, Box 1240, Orange Beach, Alabama 36561, 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 within forty-five (45) days after the establishment of Sunswept Condominium, and each subsequent regular annual meeting of members shall be held on the same day of the same month of each year thereafter, at the hour of 2:00 o'clock p.m. If the day for the annual meeting of members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 fifteen (15) 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.

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ARTICLE III
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Corporation shall be managed by a Board of at least five (5) 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 three (3) directors for a term of one (1) year, and 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.

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 Developer has completed and sold seventy (70%) percent of the Units located on the Property, 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; however, and notwithstanding the foregoing, Developer's right to appoint directors for the Association shall terminate five (5) years from the date of recording the Declaration if not sooner terminated as herein provided.

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 the Articles. 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 without 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; and

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

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 and against the grantor, if any, at least thirty (30) days in advance of each annual assessment;

(d) send written notice of each assessment to every Condominium 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 thirty (30) 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.

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 at the first meeting of the Board of Directors 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 co-sign all checks and promissory notes.

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 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 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.

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 of the Condominium Regime, each member and the Developer are obligated to pay to the Corporation such assessments which are secured by a continuing lien upon the property 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 or Developer 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. Neither a member nor the Developer may waive or otherwise escape liability for the assessments provided for herein by nonuse of the property of the Corporation or abandonment of any property.

ARTICLE XI AMENDMENTS

Section 1. These By-Laws may be amended 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, except that such amendment shall not be effective without the prior written approval of the Secretary of Housing and Urban Development and/or Federal National Mortgage Association (if such approval is required by either of said agencies) or the Veterans Administration, until such time as the relinquishment of rights and control by Developer takes place in accordance with the provisions of Paragraph 11.1 of the Declaration filed herewith.

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

ARTICLE XII 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 XIII DEFINITIONS

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

The foregoing were adopted as the By-Laws of Sunswapt Condominium Association, Inc. at the first meeting of the Board of Directors on the 17th day of May, 1982.

By: Rene B. Smith
As Secretary

Approved: [Signature]
By: [Signature]
As President

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EXHIBIT "F"
RULES AND REGULATIONS
OF
SUNSWEPT 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 Sunswept 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 approved by the Association. 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 from 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. No Owner, tenant or occupant shall alter the exterior appearance of any balcony, patio or terrace except with planters or carpet of color approved by the Association.

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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 nor to any balcony, terrace or patio.

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; however, in all approved cases, pets shall be maintained on a leash while upon any of the Common Areas and such pets shall not be allowed to enter the pool area. 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 or maintain 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.

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19. All interior window treatments and decoration shall be limited to appropriate and normally used materials.

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 emergency situations only.

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

24. 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 and further regulations may be promulgated by the Board of Directors.

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EXHIBIT "G", PAGE 1

SUNSWEPT CONDOMINIUM ASSOCIATION, INC.
 PHASE I
 ESTIMATED OPERATING BUDGET
 (Common Expense)
 31 Units

| <u>ITEM</u> | <u>ANNUAL AMOUNT</u> |
|--|----------------------|
| 1. Accounting & Legal - | \$ 750.00 |
| 2. Electricity (Common Area Light, Pool & Manager's Unit) - | 1,200.00 |
| 3. Insurance (Building & Liability) - | 12,800.00 |
| 4. Landscape, Road, Parking Lot, Pool Maintenance, & Elevator Contract - | 6,000.00 |
| 5. Maintenance Exterior of Buildings (Replacement Reserve) - | 7,200.00 |
| 6. Office Supplies - | 75.00 |
| 7. Office Equipment - | 75.00 |
| 8. Salary, Manager (Independent Contractor) - | 12,000.00 |
| 9. Salaries, Labor - | 1,500.00 |
| 10. Telephone - | 300.00 |
| 11. Miscellaneous Supplies - | 1,000.00 |
| 12. Miscellaneous (Working Capital Reserve) - | 1,000.00 |
| 13. Garbage Service - | 500.00 |
| 14. Water & Sewer - | 4,500.00 |
| | <hr/> |
| TOTAL ANNUAL AMOUNT - \$ | 48,900.00 |

| <u>UNIT NUMBERS</u> | <u>OWNERSHIP INTEREST IN COMMON ELEMENTS</u> | <u>ESTIMATED MONTHLY ASSESSMENT-PER UNIT</u> |
|------------------------|--|--|
| 205 - 705 | 2.1086% Per Unit | \$ 85.93 |
| 106 - 706 | 2.9898% Per Unit | 121.83 |
| 107 - 707 | | |
| 108 - 708 | 3.9339% Per Unit | 160.31 |
| 808 | 5.9009% Per Unit | 240.46 |
| 806 & 807 | 4.4060% Per Unit | 179.54 |
| 805 | 3.2415% Per Unit | 132.09 |
| | <hr/> | |
| TOTAL MONTHLY AMOUNT - | | \$ 4,075.00 |

EXHIBIT "G", PAGE 2

SUNSWEPT CONDOMINIUM ASSOCIATION, INC.
 PHASE I AND PHASE II
 ESTIMATED OPERATING BUDGET
 (Common Expense)
 63 Units

| <u>ITEM</u> | <u>ANNUAL AMOUNT</u> |
|--|----------------------|
| 1. Accounting & Legal - | \$ 1,200.00 |
| 2. Electricity (Common Area Light, Pool & Manager's Unit) - | 2,400.00 |
| 3. Insurance (Building & Liability) - | 25,600.00 |
| 4. Landscape, Road, Parking Lot, Pool Maintenance, & Elevator Contract - | 12,000.00 |
| 5. Maintenance Exterior of Buildings (Replacement Reserve) - | 14,400.00 |
| 6. Office Supplies - | 100.00 |
| 7. Office Equipment - | 100.00 |
| 8. Salary, Manager (Independent Contractor) - | 12,000.00 |
| 9. Salaries, Labor - | 3,100.00 |
| 10. Telephone - | 360.00 |
| 11. Miscellaneous Supplies - | 2,100.00 |
| 12. Miscellaneous (Working Capital Reserve) - | 2,220.00 |
| 13. Garbage Service - | 1,000.00 |
| 14. Water & Sewer - | 9,072.00 |
| | <u>85,652.00</u> |
| TOTAL ANNUAL AMOUNT - \$ | 85,652.00 |

| <u>UNIT NUMBERS</u> | <u>OWNERSHIP INTEREST IN COMMON ELEMENTS</u> | <u>ESTIMATED MONTHLY ASSESSMENT-PER UNIT</u> |
|---------------------------|--|--|
| 101 - 701 | 1.9464% Per Unit | \$ 138.93 |
| 102 - 702 | 1.4793% Per Unit | 105.59 |
| 103 - 703 | | |
| 104 - 704 | 1.0433% Per Unit | 74.46 |
| 205 - 705 | | |
| 106 - 706 | 1.4793% Per Unit | 105.59 |
| 107 - 707 | | |
| 108 - 708 | 1.9464% Per Unit | 138.93 |
| 801 | 2.9197% Per Unit | 208.40 |
| 802 & 803 | 2.1800% Per Unit | 155.60 |
| 804 & 805 | 2.6039% Per Unit | 114.48 |
| 806 & 807 | 2.1800% Per Unit | 155.60 |
| 808 | 2.9197% Per Unit | <u>208.40</u> |
| TOTAL MONTHLY AMOUNT - \$ | | 7,137.67 |

EXHIBIT "H"

FHA FORM NO. 3278
For use by condominiums
under Sections 221(i), 234
& 235 Revised Aug. 1969
(Previous revision obsolete)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

REGULATORY AGREEMENT*

AGREEMENT dated this _____ day of _____, 19____, by and between _____, Association) whose address is _____, party of the first part, and _____, as Federal Housing Commissioner (hereinafter called the Commissioner) acting pursuant to authority granted him by the National Housing Act, as amended, (hereinafter referred to as the Act) party of the second part.

WHEREAS⁶ the Association has the responsibility for administering the Condominium and desiring to aid members in obtaining financing for the purchase of family units in the condominium; and

WHEREAS, mortgagees may be unwilling to lend sums to the members of the Association without FHA mortgage insurance; and

WHEREAS, the Commissioner is unwilling to endorse notes for mortgage insurance pursuant to Section 234 of Title II of the Act unless and until the Association shall be entering into the covenants and agreements set forth below, consent to be regulated and restricted by the Commissioner as provided in the Act;

NOW, THEREFORE, in consideration of One Dollar (\$1.00) in hand paid, and other good and valuable considerations by each party to the other, the receipt of which is hereby acknowledged, and in order to induce the Commissioner to endorse for mortgage insurance the notes secured by mortgages covering family units in the condominium, and in order that the Association may be regulated and restricted by the Commissioner as provided for in the Act and the applicable Regulations, the parties hereto agree as follows: that whenever a Contract of Mortgage Insurance for a mortgage covering a family unit in the condominium is in effect, or during any period of time as the Commissioner shall be the owner, holder, or reinsurer of any mortgage covering a family unit in the condominium, or during any time the Commissioner is the owner of a family unit in the condominium or is obligated to insure a mortgage covering any family unit in the condominium:

1. The Association shall establish and maintain reserve fund for replacements by the allocation and payment monthly to such reserve fund an amount to be designated from time to time by the Commissioner. Such fund shall be deposited in a special account with a safe and responsible depository approved by the Commissioner 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 of structural elements and mechanical equipment of the condominium and for such other purposes as may be agreed to in writing by the Commissioner. Disbursements from such fund may be made only after receiving the consent in writing of the Commissioner.
2. The Association shall establish and maintain a general operating reserve by allocation and payment thereto monthly of a sum equivalent to not less than 3 percent of the monthly assessments chargeable to the owners of family units in the condominium pursuant to the by-laws. Upon accrual in said General Operating Reserve Account of an amount equal to 15 percent of the current annual amount of assessments chargeable to the owners of family units in the condominium pursuant to the by-laws, the rate of such monthly allocations may, by appropriate action of the Association, be reduced from 3 percent to 2 percent provided, however, that in the event withdrawals from such account reduce it below said 15 percent accrual, the rate of such monthly deposits shall immediately be restored to 3 percent; at any time thereafter upon accrual in said General Operating Reserve Account of an amount equal to 25 percent of the current annual amount of assessments chargeable to the owners of family units in the condominium pursuant to the by-laws, such monthly deposits may, by appropriate action of the Association, be discontinued and no further deposits need be made into such General Operating Reserve so long as said 25 percent level is maintained and provided, further, that upon reduction of such reserve below said 25 percent level, monthly deposits shall forthwith be made at the 3 percent rate until the 25 percent level is restored. This reserve shall remain in a special account and may be in the form of cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America, and shall at all time be under the control of the Association. This cumulative reserve is intended to provide a measure of financial stability during periods of special stress and may be used to meet deficiencies from time to time as a

* To be attached to the recorded Plan of Apartment Ownership and to be executed and dated as of the date of recordation.

** Insert name of Association of Owners as designated in the By-Laws of the Condominium, or the name of the Corporation, if the Association is incorporated.

result of delinquent payments of assessments by owners of family units in the condominium and other contingencies. Disbursements totalling in excess of 20 percent of the total balance in the reserve as of the close of the preceding annual period may not be made during any annual period without the consent of the Commissioner. Reimbursements shall be made to the account upon payment of delinquencies for which funds were withdrawn from the reserve.

3. The Association will not employ a management agent for the buildings nor enter into a management contract nor undertake "self-management" unless the Commissioner has approved in writing the proposed management agent, form of management contract or other management arrangement.
4. The Association shall not without prior approval of the Commissioner, given in writing, remodel, reconstruct, demolish or subtract from the premises constituting the condominium.
5. The Association shall not without prior approval of the Commissioner given in writing:
 - (a) amend or change the Plan of Apartment Ownership or the by-laws of the Association;
 - (b) fail to establish and maintain the Fund for Replacements and general operating reserve as set forth herein;
 - (c) fail to provide for the management of the condominium in a manner approved by the Commissioner;
 - (d) fail to keep in full force and effect an elevator contract satisfactory to the FHA covering the maintenance and replacement of parts of any elevator or related equipment, or, if such contract shall be allowed to expire, then fail to accrue an additional sum in such amount as shall be designated by the Commissioner to be sufficient to allow for deferred and future replacements as part of the annual Reserve for Replacement Fund collected by the Association so as to insure that Funds will be available for replacement of elevator parts and related equipment.
6. The Association shall maintain the common areas and facilities, and each owner of a family unit shall maintain the family unit, in good repair and in such condition as will preserve the health and safety of the members.
7. The books, contracts, records, documents and papers of the Association and all of the property of the condominium shall be subject to inspection and examination by the Commissioner or his duly authorized agent at all reasonable times. The Association shall file with the Commissioner the following reports verified by the signature of such officers of the Association as may be designated and in such form as may be prescribed by the Commissioner:
 - (a) monthly operating reports, when required by the Commissioner;
 - (b) annual financial reports prepared by a certified public accountant or other person acceptable to the Commissioner, within sixty days after the end of each fiscal year;
 - (c) specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property;
 - (d) copies of minutes of all owner's meetings certified to by the secretary of the Association within thirty days after such meetings, and when required by the Commissioner, copies of minutes of directors' meetings.
8. The Association shall establish and collect from owners of family units monthly assessments pursuant to the conditions set forth herein. Monthly assessments charged to owners during the initial occupancy period shall be made by the Association in accordance with a schedule of charges filed with and approved in writing by the Commissioner prior to the opening of the project for occupancy. Such assessment shall be in an amount sufficient to meet the FHA estimate of management expense, operating expense, and maintenance expense, reserves, and all other expenses of the Association. Subsequent to the initial occupancy period, assessments made by the Association for its accommodations shall be in accordance with a schedule filed with and approved in writing by the Commissioner and shall be in amounts sufficient to meet the Association's estimate of expenses set forth in an operating budget which shall be prepared and submitted to the FHA sixty days prior to the beginning of each fiscal year. The operating budget shall set forth the anticipated income of the Association and a sufficiently detailed estimate of expenses which will include separate estimates for administration expense, operating expense, maintenance expense, utilities, hazard insurance, replacement reserve and operating reserve. Such assessments shall not be changed except with the written approval of the Commissioner. The Association agrees that if at any time the owner of a family unit fails to pay his monthly assessment as provided in the by-laws, the Association will, upon direction of the Commissioner, initiate necessary legal action to collect the assessment.

9. Upon a violation of any of the above provisions of this Agreement by the Association, or by any owner of a family unit, or upon the failure of the Association to abide by and carry out the provisions of the plan of Apartment Ownership and the By-Laws, the Commissioner may give written notice thereof to the Association or to the owner of a family unit, by registered or certified mail. If such violation is not corrected to the satisfaction of the Commissioner within 15 days after the date such notice is mailed, or within such additional period of time as is set forth in the notice, without further notice the Commissioner may declare a default under this Agreement and upon such default the Commissioner may:
- (a) In the case of a default by the owner of a family unit:
 - (i) If the Commissioner holds the note of the defaulting owner = declare the whole of said indebtedness due and payable and then proceed with the foreclosure of the mortgage;
 - (ii) If said note is held by an FHA-insured mortgagee - notify the mortgagee of such default, and the mortgagee, with the prior written consent of the Commissioner, may declare the whole indebtedness due, and thereupon proceed with the foreclosure of the mortgage, or assign the note and mortgage to the Commissioner as provided in the Regulations.
 - (b) In the case of a default by the Association or by the owner of a family unit:

Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, or for such other relief as may be appropriate, since the injury to the Commissioner arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.
10. The covenants and agreements herein set out shall be deemed to run with the land and the property described in the Plan of Apartment Ownership, and to bind all owners of family units, present and future.
11. As used in this Agreement the term:
- (a) "Mortgage" shall include "Deed of Trust";
 - (b) "Note" shall include "Bond";
 - (c) "Mortgagee" shall include the "Beneficiary" under Mortgage or Deed of Trust however designated;
 - (d) "Default" means a default declared by the Commissioner when a violation of this Agreement is not corrected to his satisfaction within the time allowed by this Agreement or such further time as may be allowed by the Commissioner after written notice;
 - (e) "Plan of Apartment Ownership" shall include all legal documents, deeds, by-laws, plans and specifications, required by the laws of the jurisdiction to establish condominium ownership.
- (The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.)
12. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns.
13. The invalidity of any clause, part or provision of this agreement shall not affect the validity of the remaining portions thereof.
14. The Association agrees and assumes the obligation to have this Agreement recorded in the appropriate land records in the jurisdiction in which the real property herein described is situated; and in the event of failure to do so, it is agreed that the Commissioner may have the same recorded at the expense of the Association.
15. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Association or by an owner of a family unit will substantially damage and injure the Commissioner in the proper performance of his duties under the provisions of the Act, and will impede and injure the proper operations intended under such Act; that such damage will be irrespective of and in addition to any damage to the security of the mortgaged premises or to any financial damage the Commissioner may suffer as insurer; that, except for the agreements herein contained, the Commissioner would not issue and would not be authorized to issue a Contract of Mortgage Insurance, and that mortgagees may not be willing to lend sums of money to owners of the family units on the security of mortgages covering such units, unless the same were insured by the Commissioner.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement the day and year first above written.

WITNESS:

ASSOCIATION OF OWNERS OF CONDOMINIUM

_____ (SEAL)

_____ (SEAL)

FEDERAL HOUSING COMMISSIONER

By _____
(Authorized Agent)

ACKNOWLEDGEMENT OF ASSOCIATION OF OWNERS OF
CONDOMINIUM (In accordance with the form in State where property is
located)

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