

**MASTER DECLARATION OF CONDOMINIUM**

**FOR**

**PERDIDO DUNES, A CONDOMINIUM**

State of Alabama, Baldwin County  
I certify this instrument was filed  
and fees collected on:  
January - 6 10:59AM  
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Adrian T. Johns, Judge of Probate

THIS MASTER DECLARATION OF CONDOMINIUM  
DECLARATION") is made this the \_\_\_\_\_ day of January, 2006,  
DUNES CONDOMINIUM ASSOCIATION, INC. (the "DECLARANT"), the  
representative of all owners at Perdido Dunes, a condominium, with the  
acquiescence of said owners and the approval of the Circuit Court of Baldwin  
County, Alabama.

DECLARANT represents all the owners of the real property described as  
follows:

COMMENCING AT ORANGE BEACH REFERENCE MONUMENT RM 38  
(REFERENCE MONUMENTS ARE ON RECORD AND ON FILE AT THE ORANGE  
BEACH CITY PLANNING OFFICE AND THE OFFICE OF THE PROBATE JUDGE,  
BALDWIN COUNTY, ALABAMA SLIDES 2144B THRU SLIDE 2146A. THE PARCEL  
LIES IN SECTION 10, TOWNSHIP 9 SOUTH, RANGE 5 EAST, BALDWIN COUNTY,  
ALABAMA.) THENCE; N82°37'33"E FOR 735.31FT. TO A SET CAPPED REBAR ON  
THE SOUTH RIGHT OF WAY OF HIGHWAY 182, THE POINT OF BEGINNING,  
THENCE; N71°13'42"E FOR 101.10FT. WITH THE SOUTH RIGHT OF WAY OF  
HIGHWAY 182, THENCE; LEAVING SAID RIGHT OF WAY, S00°12'50"E TO THE  
GULF OF MEXICO, PASSING A SET CAPPED REBAR AT 695.03FT.  
(CONSTRUCTION CONTROL LINE), THENCE; WITH THE GULF OF MEXICO, TO A  
POINT THAT BEARS S00°16'40"E FROM THE POINT OF BEGINNING, N00°16'40"W  
TO THE POINT OF BEGINNING, PASSING A SET CAPPED REBAR ON THE  
CONSTRUCTION CONTROL LINE, SAID REBAR BEARS, S00°16'40"E 670.60FT.  
FROM THE POINT OF BEGINNING. LESS AND EXCEPT THE FOLLOWING 2  
PARCELS, BEING THE OCCUPIED AND PRIVATE AREAS OF THE EXISTING  
NORTHERN BUILDING, AND THE PROPOSED SOUTHERN BUILDING. THE  
REMAINDER OF THE PARCEL IS A COMMON AREA, FOR USE BY BOTH  
BUILDINGS OCCUPANTS.

**NORTH BUILDING:**

COMMENCING AT ORANGE BEACH REFERENCE MONUMENT RM 38, THENCE;  
N83°24'46"E FOR 794.30 FT. TO THE NORTHEAST CORNER OF THE SERVICING  
WALKWAY OF THE EXISTING NORTH BUILDING, THENCE WITH THE  
APPURTENANCES OF THE NORTH BUILDING; S77°31'37"W FOR 9.73FT.  
S75°39'56"W FOR 42.24FT., THEN S13°34'57"E FOR 12.03FT., THEN S75°09'06"W  
FOR 5.95FT., THEN S13°37'22"E FOR 24.04FT., THEN S75°40'16"W FOR 5.83FT.,  
THEN S13°48'22"E FOR 23.67FT., THEN S76°11'22"W FOR 5.87FT., THEN  
S13°58'19"E FOR 24.33FT., THEN S76°07'55"W FOR 5.92FT., THEN S00°18'10"E  
FOR 24.74FT., THEN N76°26'14"E FOR 2.67FT., THEN S00°05'20"E FOR 12.08FT.,  
THEN N76°24'38"E FOR 5.10FT., THEN S00°05'17"W FOR 12.21FT., THEN  
S75°22'53"W FOR 7.77FT., THEN S00°10'37"E FOR 25.04FT., THEN N75°19'36"E

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FOR 7.87FT., THEN S00°20'11"W FOR 10.26FT., THEN S76°43'29"W FOR 5.25FT., THEN S00°06'34"W FOR 14.03FT., THEN S76°48'08"W FOR 2.43FT., THEN S00°13'01"E FOR 25.09FT., THEN N76°13'54"E FOR 7.79FT., THEN S00°25'50"E FOR 10.10FT., THEN S75°39'01"W FOR 5.52FT., THEN S14°06'42"E FOR 14.53FT., THEN S76°39'52"W FOR 5.95FT., THEN S00°23'08"E FOR 24.67FT., THEN N76°35'06"E FOR 2.73FT., THEN S00°09'11"E FOR 12.11FT., THEN N76°30'49"E FOR 5.09FT., THEN S00°04'31"E FOR 12.31FT., THEN S76°14'19"W FOR 7.75FT., THEN S00°41'27"E FOR 25.10FT., THEN N75°47'46"E FOR 7.69FT., THEN S00°06'30"E FOR 12.06FT., THEN S76°01'53"W FOR 5.09FT., THEN S00°11'34"E FOR 12.63FT., THEN S75°45'06"W FOR 2.63FT., THEN S00°14'43"W FOR 24.17FT., THEN N74°22'56"E FOR 7.75FT., THEN S00°51'03"E FOR 12.36FT., THEN S75°31'01"W FOR 5.20FT., THEN S14°13'31"E FOR 12.69FT., THEN S75°47'24"W FOR 5.62FT., THEN S11°32'08"E FOR 12.52FT., THEN N81°03'43"E FOR 1.88FT., THEN S14°18'13"E FOR 10.97FT., THEN S75°44'09"W FOR 7.58FT., THEN S14°17'58"E FOR 12.25FT., THEN N75°42'02"E FOR 20.31FT., THEN S15°00'51"E FOR 3.58FT., THEN N75°50'51"E FOR 8.91FT., THEN N14°15'02"W FOR 3.43FT., THEN N74°58'01"E FOR 6.76FT., THEN S13°44'35"E FOR 11.58FT., THEN N76°08'47"E FOR 4.26FT., THEN N16°12'12"W FOR 5.08FT., THEN N74°33'50"E FOR 8.59FT., THEN N00°10'03"W FOR 54.83FT., THEN N88°33'40"E FOR 1.67FT., THEN N00°08'13"W FOR 372.44FT. TO THE POINT OF BEGINNING.

**SOUTH BUILDING:**

COMMENCING AT ORANGE BEACH REFERENCE MONUMENT RM 38, THENCE; S58°45'34"E FOR 884.12FT. TO THE POINT OF BEGINNING, THENCE; N90°00'00"E FOR 52.83FT., THEN S00°00'00"W FOR 28.25FT., THEN N90°00'00"E FOR 1.58FT., THEN S00°00'00"E FOR 59.75FT., THEN N90°00'00"E FOR 4.25FT., THEN S00°00'00"E FOR 20.92FT., THEN N90°00'00"W FOR 64.50FT., THEN N00°00'00"E FOR 20.92FT., THEN N90°00'00"E FOR 4.25FT., THEN N00°00'00"E FOR 59.75FT., THEN N90°00'00"E FOR 1.58FT., THEN N00°00'00"E FOR 28.25FT. TO THE POINT OF BEGINNING.

DECLARANT intends by this MASTER DECLARATION to impose upon the above described CONDOMINIUM PROPERTY mutually beneficial restrictions under a general plan of improvement for the benefit of all OWNERS of real property within the CONDOMINIUM PROPERTY. DECLARANT desires to provide procedures for the overall development of the CONDOMINIUM PROPERTY, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the CONDOMINIUM PROPERTY.

DECLARANT hereby declares that the CONDOMINIUM PROPERTY shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the CONDOMINIUM PROPERTY and which shall be binding on all parties having any right, title or interest in the CONDOMINIUM PROPERTY or any part thereof, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each OWNER thereof. This MASTER DECLARATION intends to create a condominium within

the meaning of the *Alabama Uniform Condominium Act of 1991, Code of Alabama, 1975, §35-8A-101, et seq.*

## **ARTICLE I** **Definitions**

Section 1. "AREA OF COMMON RESPONSIBILITY" shall mean and refer to the COMMON AREA which shall become the responsibility of the MASTER ASSOCIATION. The office of any property manager employed by or contracting with the MASTER ASSOCIATION may be part of the AREA OF COMMON RESPONSIBILITY.

Section 2. "ARTICLES OF INCORPORATION" shall mean and refer to the ARTICLES OF INCORPORATION of PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC..

Section 3. "BASE ASSESSMENT" shall mean and refer to assessments levied against the UNITS in the CONDOMINIUM PROPERTY to fund COMMON EXPENSES, as provided in this MASTER DECLARATION.

Section 4. "BY-LAWS" shall mean and refer to the BY-LAWS of the PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC. as they may be amended from time to time.

Section 5. "COMMON AREA" or "COMMON PROPERTY" shall mean and refer to any property, buildings, fixtures, facilities or other personal property now owned or otherwise acquired by the MASTER ASSOCIATION by purchase, gift, easement, lease or otherwise to be devoted to the common use and enjoyment of the OWNERS of the UNITS in the CONDOMINIUM PROPERTY.

Section 6. "COMMON EXPENSES" shall mean and include the actual and estimated expenses incurred by the MASTER ASSOCIATION for the general benefit of all OWNERS including any reasonable reserves as all may be found to be necessary and appropriate by the BOARD OF DIRECTORS pursuant to this MASTER DECLARATION, the BY-LAWS and the ARTICLES OF INCORPORATION of the MASTER ASSOCIATION.

Section 7. "COMMUNITY-WIDE STANDARD" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the CONDOMINIUM PROPERTY. Such standard may be more specifically determined by the BOARD OF DIRECTORS.

Section 8. "DECLARANT" shall mean and refer to PERDIDO DUNES

CONDOMINIUM ASSOCIATION, INC., an Alabama Non-Profit Corporation, or its successors, successors-in-title or assigns who take title to any portion of the CONDOMINIUM PROPERTY for the purpose of development.

Section 9. "GOVERNMENTAL AUTHORITY" shall mean any and all city, county, state and federal governmental or quasi-governmental agencies, bureaus, departments, divisions or regulatory authorities having jurisdiction over any portion of the CONDOMINIUM PROPERTY.

Section 10. "UNIT" shall mean a condominium unit as defined in the "ACT".

Section 11. "MASTER ASSOCIATION" shall mean and refer to the PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC., an Alabama Non-Profit Corporation, its successors or assigns. The BOARD OF DIRECTORS shall be the elected body having its normal meaning under Alabama corporate law. The use of the term "association" or "associations" shall refer to any OWNERS associations having jurisdiction over any part of the CONDOMINIUM PROPERTY.

Section 12. "MEMBER" shall mean and refer to a PERSON who is an OWNER of a UNIT in the CONDOMINIUM PROPERTY and who is entitled to membership in the MASTER ASSOCIATION, as provided herein.

Section 13. "MORTGAGE" shall mean and refer to a permanent or construction mortgage or any other form of security deed, including any collateral security documents executed in connection therewith.

Section 14. "MORTGAGEE" shall mean and refer to a beneficiary or holder of a MORTGAGE.

Section 15. "MORTGAGOR" shall mean and refer to any PERSON who gives a mortgage.

Section 16. "NEIGHBORHOOD" shall mean and refer to each separately developed and denominated area comprised of condominiums located within the overall CONDOMINIUM PROPERTY which will be governed each by an additional owners association, in which OWNERS will have common interest other than those common to all MASTER ASSOCIATION MEMBERS, and which may have common areas and facilities which are not available for use by all MASTER ASSOCIATION MEMBERS. In addition, each parcel of land located within the overall CONDOMINIUM PROPERTY which is developed shall constitute a NEIGHBORHOOD. Where the context permits or requires, the term NEIGHBORHOOD shall also refer to the NEIGHBORHOOD ASSOCIATION (as defined in Article III, Section 3) having jurisdiction over the property within the NEIGHBORHOOD.

Section 17. "NEIGHBORHOOD ASSESSMENTS" shall mean assessments levied against the UNITS in a particular NEIGHBORHOOD to fund NEIGHBORHOOD EXPENSES.

Any NEIGHBORHOOD ASSESSMENT shall be allocated and levied among or against all of the UNITS in the NEIGHBORHOOD benefiting from the services supported thereby based on that UNIT'S proportionate share of the BASE ASSESSMENTS as set out in this MASTER DECLARATION or the Declaration which submitted the NEIGHBORHOOD to the overall CONDOMINIUM PROPERTY.

Section 18. "NEIGHBORHOOD EXPENSES" shall mean and include the actual and estimated expenses incurred by the MASTER ASSOCIATION for the benefit of OWNERS of UNITS within a particular NEIGHBORHOOD which is part of the CONDOMINIUM PROPERTY, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the BOARD OF DIRECTORS and as more particularly authorized herein.

Section 19. "OWNER" or "OWNERS" shall mean and refer to one (1) or more PERSONS who hold the record title to any UNIT which is part of the CONDOMINIUM PROPERTY, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a UNIT is sold under a recorded contract of sale and the contract specifically so provides, (rather than the fee owner) will be considered the OWNER.

Section 20. "PERSON" or "PERSONS" means a natural person, a corporation, a partnership, a limited liability company, a trustee or other legal entity.

Section 21. "PLAT" shall mean and refer to the plats and plans recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 22. "SPECIAL ASSESSMENT" shall mean and refer to assessments levied in accordance with ARTICLE IX, Section 3 of this MASTER DECLARATION.

## **ARTICLE II**

### **Property Rights**

Section 1. General. Subject to all of the terms, conditions and provisions of this MASTER DECLARATION, every OWNER shall have a right and non-exclusive easement of enjoyment in and to the COMMON AREA, and in common with the rights of the DECLARANT and the rights of all other parties having any

interests or rights therein and further subject to this MASTER DECLARATION as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the MASTER ASSOCIATION. Any OWNER may delegate his or her right of enjoyment to the MEMBERS of his or her family, tenants, and social invitees, as applicable, subject to reasonable regulation by the BOARD OF DIRECTORS and in accordance with procedures it may adopt. An OWNER who leases his or her UNIT shall be deemed to have delegated all such rights to the lessee of a UNIT.

### **ARTICLE III** **Membership and Voting Rights**

Section 1. Membership. Every OWNER, as defined in ARTICLE I, Section 19, shall be deemed to have a membership in the MASTER ASSOCIATION.

No OWNER whether one (1) or more PERSONS, shall have more than one (1) membership per UNIT owned. In the event the OWNER of a UNIT is more than one (1) PERSON, rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a MEMBER or the spouse of a MEMBER, subject to the provisions of this MASTER DECLARATION and the BY-LAWS. The membership rights of a UNIT owned by a corporation or partnership shall be exercised by the individual designated from time to time by the OWNER in a written instrument provided to the Secretary, subject to the provisions of this MASTER DECLARATION and the BY-LAWS.

Section 2. Voting. The MASTER ASSOCIATION shall have one (1) class of membership. Each NEIGHBORHOOD ASSOCIATION shall elect three (3) Directors to the MASTER ASSOCIATION Board. Said vote shall be in accordance with the voting procedures of each NEIGHBORHOOD ASSOCIATION.

Section 3. NEIGHBORHOODS. Every UNIT in the CONDOMINIUM PROPERTY shall be located within a NEIGHBORHOOD as defined in ARTICLE I. The UNITS within a particular NEIGHBORHOOD may be subject to additional covenants and the UNIT OWNERS shall be MEMBERS of another owners association ("NEIGHBORHOOD ASSOCIATION") in addition to the MASTER ASSOCIATION.

### **ARTICLE IV** **Maintenance**

Section 1. Responsibility of MASTER ASSOCIATION. The MASTER ASSOCIATION shall maintain and keep in good repair the AREA OF COMMON RESPONSIBILITY, such maintenance to be funded as hereinafter provided. This

maintenance shall include, maintenance, repair and replacement subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the COMMON AREAS, including, but not limited to, drainage systems, recreation and open space, utilities, traffic control devices and all other areas within the CONDOMINIUM PROPERTY, that are not controlled by a NEIGHBORHOOD ASSOCIATION.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of GENERAL COMMON AREAS not the responsibility of a NEIGHBORHOOD ASSOCIATION shall be a COMMON EXPENSE to be allocated among all UNITS in the CONDOMINIUM PROPERTY.

Section 2. Responsibility of NEIGHBORHOOD. Each NEIGHBORHOOD ASSOCIATION shall be responsible for maintaining the COMMON AREAS of the CONDOMINIUM PROPERTY that are part of that NEIGHBORHOOD.

## **ARTICLE V**

### **Insurance and Casualty Losses**

Section 1. Insurance. The BOARD OF DIRECTORS of the MASTER ASSOCIATION, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the COMMON AREA. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The BOARD OF DIRECTORS shall also obtain a public liability policy covering the COMMON AREA, the MASTER ASSOCIATION and its MEMBERS for all damage or injury caused by the negligence of the MASTER ASSOCIATION or any of its MEMBERS or agents. The public liability policy shall provide limits of at least One Million Dollars (\$1,000,000.00) for each single occurrence and Two Million Dollars (\$2,000,000.00) general aggregate for bodily injury and property damage liability claims. In addition, a commercial umbrella liability policy shall be provided with a liability limit of at least Five Million Dollars (\$5,000,000.00).

Premiums for all insurance on the COMMON AREA shall be COMMON EXPENSES of the MASTER ASSOCIATION and shall be included in the BASE ASSESSMENT, as defined in ARTICLE I and as more particularly described in ARTICLE IX, Section 1. The policy may contain a reasonable deductible, and, in the case of property insurance, the amount thereof shall be added to the face

amount of the policy in determining whether the insurance at least equals the full replacement cost.

All insurance coverage obtained by the BOARD OF DIRECTORS shall be written in the name of the MASTER ASSOCIATION as trustee for the respective benefited parties, as further identified below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Alabama which holds Best's rating of "A" or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the COMMON AREA shall be for the benefit of the MASTER ASSOCIATION and its MEMBERS.

(c) Exclusive authority to adjust losses under policies obtained by the MASTER ASSOCIATION on the CONDOMINIUM PROPERTY shall be vested in the BOARD OF DIRECTORS of the MASTER ASSOCIATION.

(d) In no event shall the insurance coverage obtained and maintained by the BOARD OF DIRECTORS of the MASTER ASSOCIATION hereunder be brought into contribution with insurance purchased by individual OWNERS, occupants, or their MORTGAGEES.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available.

(f) The BOARD OF DIRECTORS of the MASTER ASSOCIATION shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the BOARD OF DIRECTORS of the MASTER ASSOCIATION, its manager, the OWNERS and their respective tenants, servants, agents and guests;

(ii) That any "other insurance" clause in any policy exclude individual OWNERS' policies from consideration; and

(iii) That the MASTER ASSOCIATION will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification or non-renewal.

In addition to the other insurance required by this Section, the BOARD OF DIRECTORS shall obtain, as a COMMON EXPENSE, workers' compensation insurance, if applicable, and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees and other PERSONS handling or responsible for the funds of the MASTER ASSOCIATION, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment, but, if reasonably available, may not be less than three (3) months' assessments on all UNITS, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of PERSONS serving without compensation and shall require at least thirty (30) days prior written notice to the MASTER ASSOCIATION of any cancellation, substantial modification or non-renewal.

Section 2. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the properties covered by insurance written in the name of the MASTER ASSOCIATION, the BOARD OF DIRECTORS or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimated of the cost of repair or reconstruction of the damaged or destroyed properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the COMMON AREA or to the COMMON PROPERTY of any NEIGHBORHOOD ASSOCIATION shall be repaired or reconstructed unless (i) repair or reconstruction is not permitted under any applicable governmental code, rule or regulation which might presently or subsequently be enacted or otherwise enforced, or (ii) the unit owners representing at least eighty percent (80%) of the total vote of each NEIGHBORHOOD ASSOCIATION shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the MASTER ASSOCIATION within said period, then the period shall be extended until such information shall be made available.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the COMMON AREA shall be retained by and for the benefit of the MASTER ASSOCIATION and placed in a capital improvements account.

## **ARTICLE VI**

### **No Partition**

Except as is permitted in the MASTER DECLARATION or amendments thereto, there shall be no physical partition of the COMMON AREA or any part thereof, nor shall any PERSON acquiring any interest in the CONDOMINIUM PROPERTY or any part thereof seek any judicial partition unless the CONDOMINIUM PROPERTY has been removed from the provisions of this MASTER DECLARATION. This ARTICLE shall not be construed to prohibit the BOARD OF DIRECTORS from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this MASTER DECLARATION.

## **ARTICLE VII**

### **Condemnation**

Whenever all or any part of the COMMON AREA shall be taken by any authority having the power of condemnation or eminent domain, each OWNER shall be entitled to notice thereof. The award made for such taking shall be payable to the MASTER ASSOCIATION as trustee for all OWNERS to be disbursed as follows:

If the taking involves a portion of the COMMON AREA on which improvements have been constructed the MASTER ASSOCIATION shall restore or replace such improvements so taken on the remaining land included in the COMMON AREA to the extent lands are available therefore, in accordance with plans approved by the BOARD OF DIRECTORS of the MASTER ASSOCIATION. If the taking does not involve any improvements on the COMMON AREA, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the MASTER ASSOCIATION and used for such purposes as the BOARD OF DIRECTORS of the MASTER ASSOCIATION shall determine.

**ARTICLE VIII**  
**Rights and Obligations of the MASTER ASSOCIATION**

Section 1. COMMON AREA. The MASTER ASSOCIATION, subject to the rights of the OWNERS set forth in this MASTER DECLARATION, shall be responsible for the exclusive management and control of the COMMON AREA and all improvements thereon (including, without limitation, furnishings, and equipment related thereto and common landscaped areas) and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the COMMUNITY-WIDE STANDARD.

Section 2. Personal Property and Real Property for Common Use. The MASTER ASSOCIATION, through action of its BOARD OF DIRECTORS, may acquire, hold and dispose of tangible and intangible personal property and real property. The BOARD OF DIRECTORS, acting on behalf of the MASTER ASSOCIATION, shall accept any real or personal property, leasehold, or other property interests within the CONDOMINIUM PROPERTY conveyed to it by the DECLARANT.

Section 3. Rules and Regulations. The MASTER ASSOCIATION, through its BOARD OF DIRECTORS, may make and enforce reasonable rules and regulations governing the use of the CONDOMINIUM PROPERTY, which rules and regulations shall be consistent with the rights and duties established by this MASTER DECLARATION. Sanctions may include reasonable monetary fines and the right to use any recreational facilities on the COMMON AREA. The BOARD OF DIRECTORS shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the BY-LAWS of the MASTER ASSOCIATION.

The MASTER ASSOCIATION, through the BOARD OF DIRECTORS, by contract or other agreement, shall have the right to enforce city or county ordinances for the benefit of the MASTER ASSOCIATION and its MEMBERS.

Section 4. Implied Rights. The MASTER ASSOCIATION may exercise any other right or privilege given to it expressly by this MASTER DECLARATION or the BY-LAWS and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Powers. The MASTER ASSOCIATION shall have all the powers and duties granted to or imposed on it under the ARTICLES OF INCORPORATION and BY-LAWS. The MASTER ASSOCIATION is specifically authorized to enter into agreements, to grant permits, licenses and easements over the COMMON AREAS and to enter into such other agreements as is permitted by law.

Section 6. Assignment of Future Income. The MASTER ASSOCIATION may assign its right(s) to future income, including the right to receive common expense assessments.

## **ARTICLE IX**

### **Assessments**

Section 1. Creation of Assessments. Subject to the terms and conditions of this MASTER DECLARATION, there are hereby created assessments on the CONDOMINIUM PROPERTY for MASTER ASSOCIATION expenses as may from time to time specifically be authorized by the BOARD OF DIRECTORS to be commenced at the time and in the manner set forth in this ARTICLE. There shall be two (2) types of assessments: (a) BASE ASSESSMENTS to fund COMMON EXPENSES for the benefit of all MEMBERS of the MASTER ASSOCIATION; and (b) SPECIAL ASSESSMENTS as described in this ARTICLE.

BASE ASSESSMENTS and SPECIAL ASSESSMENTS shall be levied on the UNITS and each NEIGHBORHOOD ASSOCIATION as follows:

Perdido Dunes 2006	45.95 %
Perdido Dunes Tower	54.05 %.

Notwithstanding anything to the contrary in this Sub-Section and prior to the time that Perdido Dunes Tower completes construction of its new condominium tower and has received an official Certificate of Occupancy from the City of Orange Beach, Alabama, all Base and Special Assessments levied by the Board of Directors of the Master Association against the two (2) Neighborhood Associations included in the Master Association shall be levied in accordance with the ownership interest in the common elements as identified and set forth in Exhibit "A".

Except as provided in this MASTER DECLARATION, each OWNER, by acceptance of a deed or recorded contract of sale to any portion of the CONDOMINIUM PROPERTY, is deemed to covenant and agree to pay these assessments.

Upon the subdivision of a UNIT as provided for in this MASTER DECLARATION, each subdivided UNIT shall pay that portion of the BASE ASSESSMENT of the original UNIT as provided for in this MASTER DECLARATION and in the SUPPLEMENTAL DECLARATION, and if none, each subdivided UNIT shall pay an equal portion of the BASE ASSESSMENT due by the original UNIT.

All assessments, together with interest at a rate not to exceed the highest rate allowed by Alabama Law as computed from the date the delinquency first occurs, costs and reasonable attorney's fees, shall be a continuing lien upon the UNIT against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the PERSON who was the OWNER of such UNIT at the time the assessment arose and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first MORTGAGEE, nominee of the MORTGAGEE, or third party purchaser who obtains title to a UNIT pursuant to the remedies provided in the MORTGAGE shall be liable for unpaid subordinate assessments which accrued prior to such acquisition of title and after the MORTGAGE was perfected by recording in the records of the Judge of Probate of Baldwin County, Alabama. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a UNIT from liability for, nor the UNIT from the lien of, any assessment made thereafter.

The MASTER ASSOCIATION shall, upon demand at any time, furnish to any OWNER liable for any type of assessment a certificate in writing signed by an officer or management agent of the MASTER ASSOCIATION setting forth whether such assessment has been paid as to any particular UNIT. Such certificate shall be conclusive evidence of payment to the MASTER ASSOCIATION of such assessment therein stated to have been paid. The MASTER ASSOCIATION may require the advance payment of a processing fee not to exceed Fifty Dollars (\$50.00) for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the BOARD OF DIRECTORS which may include, without limitation, acceleration of the annual BASE ASSESSMENT for delinquents.

No OWNER may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of COMMON AREAS or abandonment of the UNIT. The obligation to pay assessments is a separate and independent covenant on the part of each OWNER. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of alleged failure of the MASTER ASSOCIATION or BOARD OF DIRECTORS to take some action or perform some function required to

be taken or performed by the MASTER ASSOCIATION or BOARD OF DIRECTORS under this MASTER DECLARATION or the BY-LAWS, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the MASTER ASSOCIATION, or from any action taken to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority.

Section 2. Computation of BASE ASSESSMENT. It shall be the duty of the BOARD OF DIRECTORS, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated COMMON EXPENSES of the MASTER ASSOCIATION during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared.

The BOARD OF DIRECTORS shall cause a copy of the COMMON EXPENSES budget and notice of the amount of BASE ASSESSMENT to be levied against each UNIT in the CONDOMINIUM PROPERTY for the following year to be delivered to each OWNER at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective upon distribution to the OWNERS.

Notwithstanding the foregoing, however, in the event the BOARD OF DIRECTORS fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. SPECIAL ASSESSMENTS. In addition to the assessments authorized in Section 1 of this ARTICLE, the MASTER ASSOCIATION may levy a SPECIAL ASSESSMENT or SPECIAL ASSESSMENTS on the CONDOMINIUM PROPERTY from time to time. The obligation to pay SPECIAL ASSESSMENTS shall be computed on the same basis as for BASE ASSESSMENTS and shall be levied only against the UNITS in the CONDOMINIUM PROPERTY. SPECIAL ASSESSMENTS shall be payable in such manner and at such time as determined by the BOARD OF DIRECTORS, and may be payable in installments extending beyond the fiscal year in which the SPECIAL ASSESSMENT is approved, if the BOARD OF DIRECTORS so determines.

The MASTER ASSOCIATION may also levy a SPECIAL ASSESSMENT against any MEMBER to reimburse the MASTER ASSOCIATION for costs incurred in bringing a MEMBER and his UNIT into compliance with the provisions of the MASTER DECLARATION, any amendments thereto, the ARTICLES OF INCORPORATION, the BY-LAWS and the MASTER ASSOCIATION rules, which SPECIAL ASSESSMENT may be levied upon the vote of the BOARD OF

DIRECTORS after notice to the MEMBER and an opportunity for a hearing.

Section 4. Lien for Assessments. The MASTER ASSOCIATION is hereby granted a lien on each UNIT in the CONDOMINIUM PROPERTY and upon the goods, furniture and effects belonging to the UNIT OWNER and located in such UNIT, which lien shall secure and does secure the monies due for all assessments now or hereafter levied or subject to being levied against the UNIT in the CONDOMINIUM PROPERTY which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent assessment owing to the MASTER ASSOCIATION, and reasonable attorney's fee, which may be incurred by the MASTER ASSOCIATION in enforcing this lien upon the UNIT in the CONDOMINIUM PROPERTY. Except as provided in Section 7 of this ARTICLE the lien for unpaid assessments shall be prior and superior to all other liens, except: (1) liens for real estate taxes and other governmental assessments or charges against the UNIT and (2) the lien or charge of any first MORTGAGE of record (meaning any recorded MORTGAGE with first priority over the other mortgages) recorded before the date on which the assessment sought to be enforced became delinquent and made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment and foreclosure.

The MASTER ASSOCIATION, acting on behalf of the OWNERS, shall have the power to bid for the UNIT at foreclosure sale and acquire and hold, lease, mortgage and convey the same. During the period in which a UNIT is owned by the MASTER ASSOCIATION following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other UNIT shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such UNIT had it not been acquired by the MASTER ASSOCIATION as a result of foreclosure. Suit to recover a money judgment for unpaid COMMON EXPENSES and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5. Capital Budget and Contribution. The BOARD OF DIRECTORS shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The BOARD OF DIRECTORS shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the MASTER ASSOCIATION, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the BOARD OF DIRECTORS and included within and distributed with the budget and assessment, as provided in Section 2 of this ARTICLE.

Section 6. Date of Commencement of Assessments. The assessments provided for herein shall commence as to each UNIT in the CONDOMINIUM PROPERTY upon the filing of this MASTER DECLARATION in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 7. Subordination of the Lien to Institutional First Mortgagee. Except as provided below, the lien of assessments, including interest, late charges (subject to the limitations of Alabama Law) and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any institutional first MORTGAGE upon any UNIT. The sale or transfer of any UNIT shall not affect the assessment lien. However, the sale or transfer of any UNIT pursuant to foreclosure of an institutional first MORTGAGE, or transfer to an institutional first MORTGAGE or third party pursuant to a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such UNIT from lien rights for any assessments thereafter becoming due. Where the MORTGAGEE holding an institutional first MORTGAGE of record or other purchaser of a UNIT obtains title pursuant to remedies under the MORTGAGE, its successors and assigns shall not be liable for the share of the COMMON EXPENSES or assessments by the MASTER ASSOCIATION chargeable to such UNIT which became due prior to the acquisition of title to such UNIT by such acquirer. Such unpaid share of COMMON EXPENSES or assessments shall be deemed to be COMMON EXPENSES collectible from OWNERS of all the UNITS, including such acquirer, its successors and assigns. Provided, however, the lien for assessments is also prior to the MORTGAGE described in this Section 7 to the extent of the COMMON EXPENSE assessments based on the periodic budget adopted by the MASTER ASSOCIATION pursuant to this MASTER DECLARATION which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to foreclose a lien.

Section 8. Capitalization of MASTER ASSOCIATION. Every UNIT in each NEIGHBORHOOD ASSOCIATION shall make capital contributions to the funding of the MASTER ASSOCIATION as required by the Board of Directors. This amount shall be utilized by the MASTER ASSOCIATION for covering operating expenses and other expenses incurred by the MASTER ASSOCIATION pursuant to the terms of this MASTER DECLARATION and the BY-LAWS.

## **ARTICLE X**

### **Use Restrictions**

The CONDOMINIUM PROPERTY shall be used only for the purposes

designated by this MASTER DECLARATION and the amendments hereto and as set out in the condominium documents of the NEIGHBORHOOD ASSOCIATIONS. The declaration or other creating document for any NEIGHBORHOOD ASSOCIATION may impose restrictions and stricter standards than those contained in this ARTICLE. The MASTER ASSOCIATION, acting through its BOARD OF DIRECTORS, shall have standing and the power to enforce such standards.

The MASTER ASSOCIATION, acting through its BOARD OF DIRECTORS, shall have authority to make and enforce standards and restrictions governing the use of the CONDOMINIUM. Such regulations and use restrictions shall be binding upon all OWNERS and occupants.

Section 1. Signs. Except as provided herein, no sign of any kind shall be erected within the CONDOMINIUM PROPERTY, without the written consent of the BOARD OF DIRECTORS.

Section 2. Parking. Vehicles shall be parked only in the designated areas. Parking shall be subject to such reasonable rules and regulations as the BOARD OF DIRECTORS may designate from time to time. Notwithstanding the above, a UNIT OWNER who has a designated parking space may not have that parking space removed.

Section 3. Occupants Bound. All provisions of the MASTER DECLARATION, BY-LAWS and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of OWNERS and which provide for sanctions against OWNERS shall also apply to all occupants, guests and invitees of any UNIT. Every OWNER shall cause all occupants of his or her UNIT to comply with the MASTER DECLARATION, BY-LAWS and the rules and regulations adopted pursuant thereto and shall be responsible for all violations to the COMMON AREAS caused by such occupants, notwithstanding the fact that such occupants of a UNIT are fully liable and may be sanctioned for any violation of the MASTER DECLARATION, BY-LAWS and rules and regulations adopted pursuant thereto.

Section 4. Nuisance. No portion of the CONDOMINIUM PROPERTY shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the CONDOMINIUM PROPERTY that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the CONDOMINIUM

PROPERTY, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any PERSON using any portion of the CONDOMINIUM PROPERTY. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the CONDOMINIUM PROPERTY.

Section 5. Unsightly or Unkempt Conditions. It shall be the responsibility of each OWNER to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her UNIT. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the CONDOMINIUM PROPERTY.

Section 6. Antennas. No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio or other signals of any kind shall be placed, allowed or maintained upon any portion of the CONDOMINIUM PROPERTY, including any UNIT, without the prior written consent of the BOARD OF DIRECTORS or its designee. The DECLARANT and/or the MASTER ASSOCIATION shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the CONDOMINIUM PROPERTY, should any such master system or systems be utilized by the MASTER ASSOCIATION and require any such exterior apparatus. Notwithstanding the above, no restriction shall be enforced that violates *The Telecommunications Act of 1996*.

Section 7. Subdivision of UNIT and Time Sharing. Except as provided herein, no UNIT shall be subdivided or its boundary lines changed except with the prior written approval of the BOARD OF DIRECTORS of the MASTER ASSOCIATION.

No UNIT shall be made subject to any type of timeshare or similar program whereby the right to exclusive use of the UNIT rotates among MEMBERS of the program on a fixed or floating time schedule over a period of years.

Section 8. Firearms. The discharge of firearms within the CONDOMINIUM PROPERTY is prohibited except with the prior approval of the MASTER BOARD OF DIRECTORS. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size, notwithstanding anything to the contrary contained herein or in the MASTER BY-LAWS. The MASTER ASSOCIATION shall not be obligated to take action to enforce this Section.

Section 9. Drainage and Septic Systems. Catch basins and drainage areas

are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No PERSON may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

Section 10. Air Conditioning Units. No window air conditioning units may be installed in any UNIT.

Section 11. Business or Commercial Use. Except as provided in this MASTER DECLARATION, no trade, business or commercial use may be conducted in or from any UNIT.

## **ARTICLE XI**

### **MORTGAGEE Provisions**

The following provisions are for the benefit of holders the first MORTGAGES on UNITS in the CONDOMINIUM PROPERTY. The provisions of this ARTICLE apply to both this MASTER DECLARATION and to the BY-LAWS, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer or guarantor of a first MORTGAGE who provides written request to the MASTER ASSOCIATION (such request to state the name and address of such holder, insurer or guarantor and the UNIT number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects a material portion of the CONDOMINIUM PROPERTY or which affects any UNIT on which there is a first MORTGAGE held, insured, or guaranteed by such eligible holder;
- (b) any delinquency in the payment of assessments or charges owed by an OWNER of a UNIT subject to the MORTGAGE of such eligible holder, where such delinquency has continued for a period of sixty (60) days. Provided, however, notwithstanding this provision, any holder of a first MORTGAGE, upon request, is entitled to written notice from the MASTER ASSOCIATION of any default in the performance by an OWNER of a UNIT of any obligation under the MASTER DECLARATION or BY-LAWS of the MASTER ASSOCIATION which is not cured within sixty (60) days;
- (c) any lapse, cancellation or material modification of any insurance policy maintained by the MASTER ASSOCIATION; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. No Priority. No provision of this MASTER DECLARATION or the BY-LAWS gives or shall be construed as giving any OWNER or other party priority over any rights of the first MORTGAGEE of any UNIT in the case of distribution to such OWNER of insurance proceeds or condemnation awards for losses to or a taking of the COMMON AREA.

Section 3. Notice to MASTER ASSOCIATION. Upon request, each OWNER shall be obligated to furnish to the MASTER ASSOCIATION the name and address of the holder of any MORTGAGE encumbering the UNIT of a OWNER.

Section 4. Applicability of ARTICLE XI. Nothing contained in this ARTICLE shall be construed to reduce the percentage vote that must otherwise be obtained under the MASTER DECLARATION, BY-LAWS or Alabama law for any of the acts set out in this ARTICLE.

Section 5. Failure of MORTGAGEE to Respond. Any MORTGAGEE who receives a written request from the BOARD OF DIRECTORS to respond to or consent to any action shall be deemed to have approved such action if the MASTER ASSOCIATION does not receive a written response from the MORTGAGEE within thirty (30) days of the date of the request by the MASTER ASSOCIATION.

## **ARTICLE XII**

### **General Provisions**

Section 1. Amendments. This MASTER DECLARATION may be amended by a two-thirds (2/3) vote of all the Board of Directors. Any amendment passed by the Board of Directors must be ratified by an affirmative vote representing sixty-seven percent (67%) of the total votes of each NEIGHBORHOOD ASSOCIATION. In addition, any amendment, to be effective, must be recorded in the public records of the Probate Judge of Baldwin County, Alabama.

If an OWNER consents to any amendment to this MASTER DECLARATION or the BY-LAWS, it will be conclusively presumed that such OWNER has the authority so to consent and no contrary provision in any MORTGAGE or contract between the OWNER and a third party will affect the validity of such amendment.

Section 2. Indemnification. The MASTER ASSOCIATION shall indemnify every officer, director and committee member against any and all expenses,

including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then BOARD OF DIRECTORS) to which he or she may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the MASTER ASSOCIATION (except to the extent that such officers or directors may also be MEMBERS of the MASTER ASSOCIATION) and the MASTER ASSOCIATION 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, director or committee member, or former officer, director or committee member may be entitled.

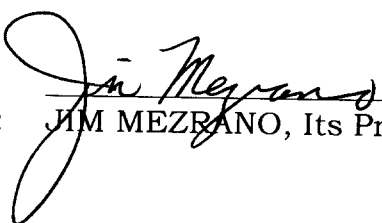
Section 3. Severability. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

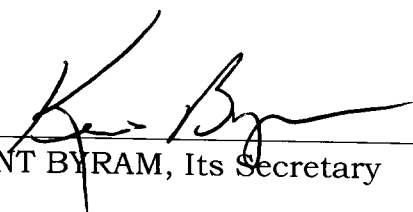
Section 4. Right of Entry. The MASTER ASSOCIATION shall have the right, but not the obligation, to enter into any UNIT in the CONDOMINIUM PROPERTY for emergency, security and safety, which right may be exercised by the BOARD OF DIRECTORS of the MASTER ASSOCIATION, officers, agents, employees, managers and all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the OWNER. This right of entry shall include the right of the MASTER ASSOCIATION to enter a UNIT in the CONDOMINIUM PROPERTY to cure any condition which may increase the possibility of a fire or other hazard in the event an OWNER fails or refuses to cure the condition upon request by the BOARD OF DIRECTORS.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein,

has caused this instrument to be duly executed on the date first written above.

PERDIDO DUNES CONDOMINIUM  
ASSOCIATION, INC.  
an Alabama Non-Profit Corporation

  
BY: JIM MEZRANO, Its President

  
ATTESTED BY: KENT BYRAM, Its Secretary

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that JIM MEZRANO, whose named as President of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4<sup>th</sup> day of January, 2006.



Lyson W. Whiteside  
NOTARY PUBLIC

My Commission Expires: 6/29/09

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that KENT BYRAM, whose named as Secretary of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4<sup>th</sup> day of January, 2006.



Lyson W. Whiteside  
NOTARY PUBLIC

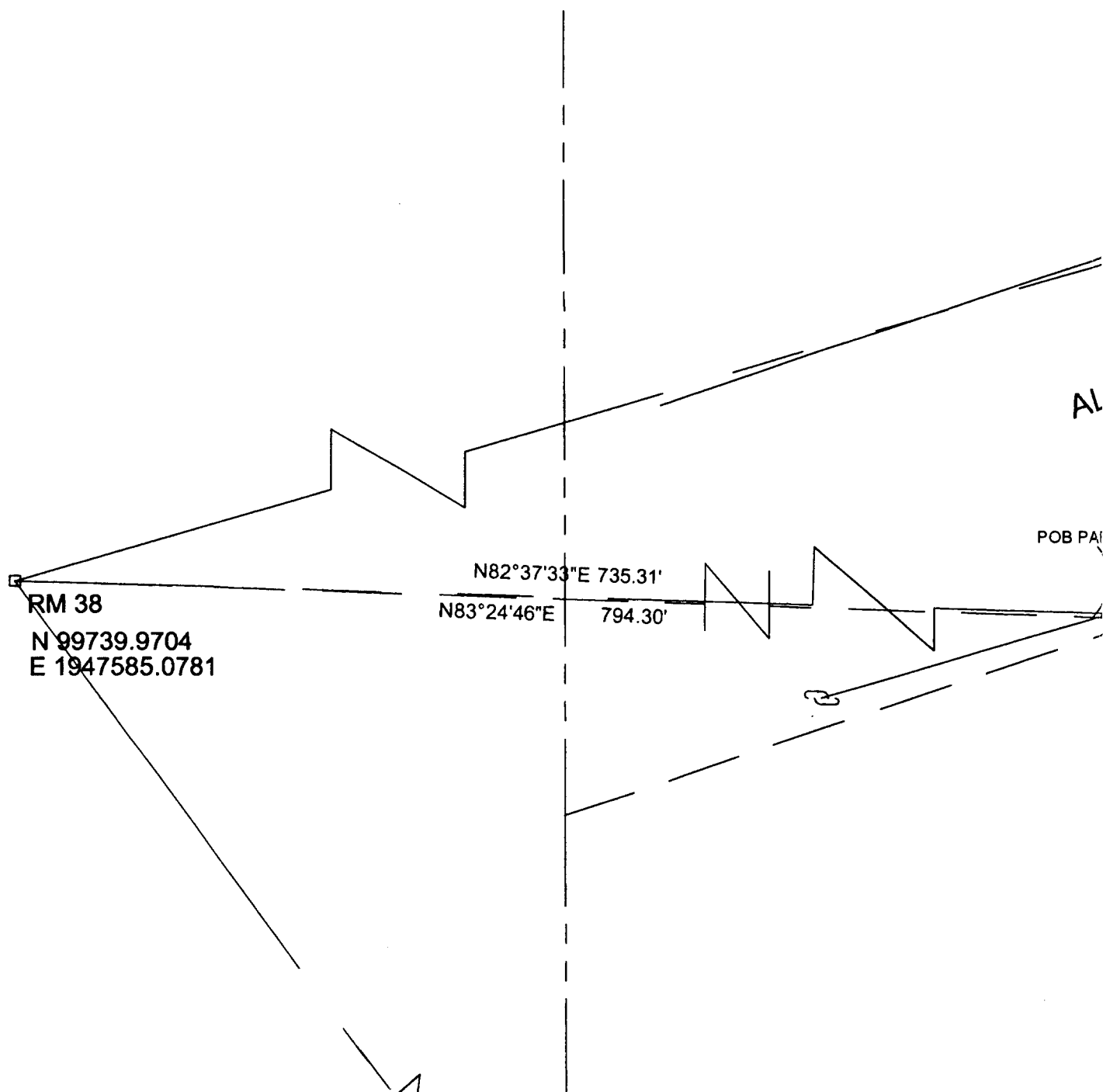
My Commission Expires: 6/29/09

**EXHIBIT A**

**OWNERSHIP INTEREST IN COMMON ELEMENTS (# OF SHARES / 412) OF  
EACH UNIT AND NUMERICAL VALUE OF VOTE TO WHICH EACH UNIT IS  
ENTITLED**

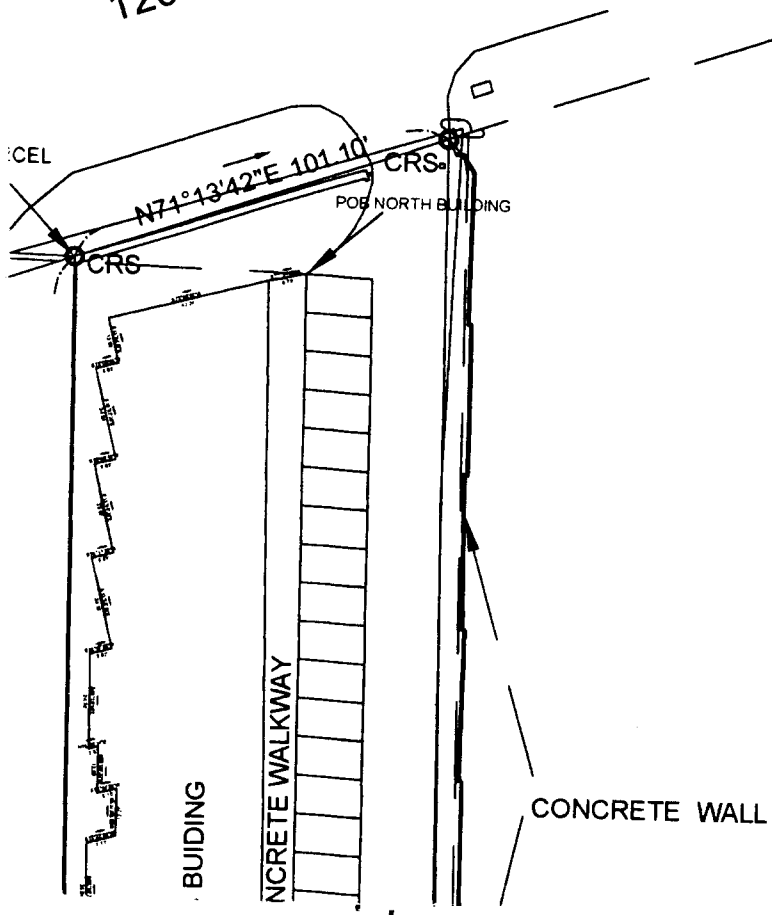
<b><u>UNIT #</u></b>	<b><u>NUMERICAL VOTE</u></b>	<b><u># OF SHARES IN COMMON ELEMENTS</u></b>
1	1	13
2	1	12
3	1	12
4	1	14
5	1	18
6	1	12
7	1	12
8	1	13
9	1	9
10	1	9
11	1	9
12	1	9
14	1	9
15	1	9
16	1	9
17	1	9
18	1	9
19	1	9
20	1	9
21	1	9
22	1	9
23	1	9
24	1	9
25	1	9
26	1	9
27	1	9
28	1	9
29	1	9
30	1	9
31	1	9
32	1	9
33	1	9
34	1	9
35	1	9
36	1	9

37	1	9
38	1	9
39	1	9
40	1	9
41	1	9
42	1	9
43	<u>1</u>	<u>9</u>
	42	412



700' 5/47 E 01 01 000 75'0 01 000

ALABAMA HIGHWAY 182  
120 FT. RW



DESCRIPTION:

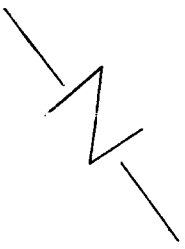
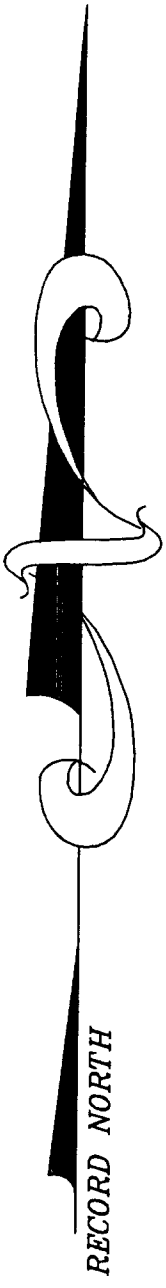
ENTIRE PARCEL:

COMMENCING AT ORANGE BEACH REFERENCE POINT AND ON FILE AT THE ORANGE BEACH CITY RECORDS, BALDWIN COUNTY, ALABAMA, SLIDES 214 AND 215, TOWNSHIP 9 SOUTH, RANGE 5 EAST, BALDWIN COUNTY, ALABAMA, BEARING N82°37'33"E 735.31 FT. TO A SET CAPPED REBAR AT 695.03 FT. (CONSTRUCTION POINT THAT BEARS S00°16'40"E FROM THE POINT OF BEGINNING, PASSING A SET CAPPED REBAR AT 670.60 FT. FROM THE POINT OF BEGINNING, BEING THE OCCUPIED AND PRIVATE AREA OF THE SOUTHERN BUILDING. THE REMAINDER OF THE PARCEL IS OCCUPIED BY THE SOUTHERN BUILDING.

NORTH BUILDING:

COMMENCING AT ORANGE BEACH REFERENCE POINT, BEARING N83°24'46"E 794.30' TO THE NORTHEAST CORNER OF THE BUILDING, THENCE WITH THE APPURTENANCE OF THE BUILDING, BEARING S77°31'37"W 9.73' - S75°39'56"W 42.24' - S75°40'16"W 5.83' - S13°48'22"E 24.04' TO THE POINT OF BEGINNING.





WESTERN LINE SECTION 10

S58°45'38"E 884.12'

PHOENIX VIII  
CONDO

S89°43'20"W  
200.00'(FROM ORIGINAL SURVEY)

35106783rd 405 Lth

N00°16'40"W 670.60'

EXIST.  
POOL

PERDIDO DUNES  
CONDO

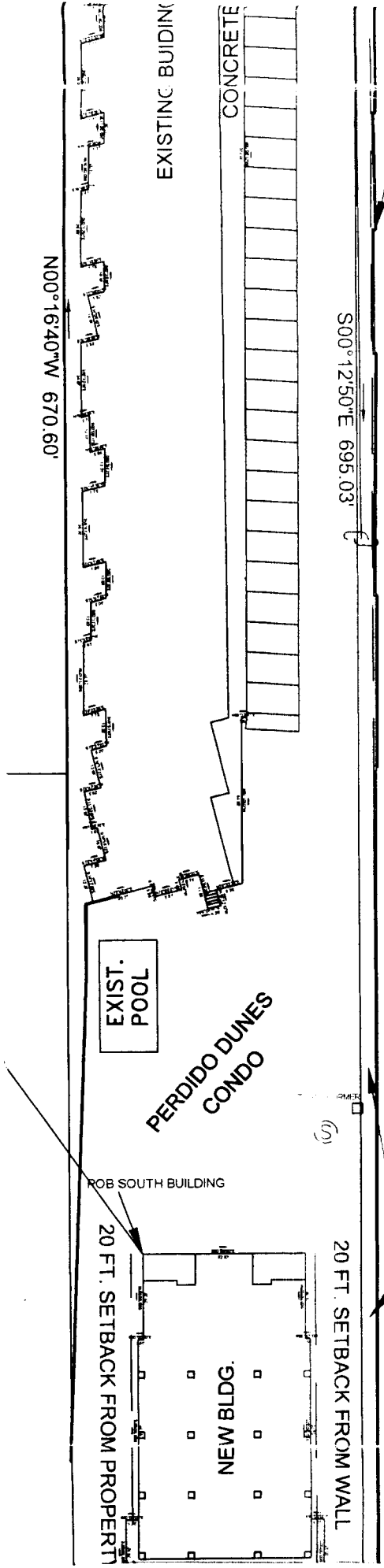
ROB SOUTH BUILDING

20 FT. SETBACK FROM PROPERT

NEW BLDG.

EXISTING BUIDIN

CONCRETE



CONCRETE WALL

PHOENIX EAST  
CONDO

PERDIDO DUNES  
CONDO

EXIST.  
POOL

ROB SOUTH BUILDING

NEW BLDG.

20 FT. SETBACK FROM PROPERTY

20 FT. SETBACK FROM WALL

AREA BETWEEN WALL AND PROPERTY  
IS AN AVERAGE OF 10 FEET WIDE

BUILDING, FENCE WITH THE  
S77°31'37"W 9.73' S75°39'56"W 42.24' S13°34'57"E 12.  
24.04' S75°40'16"W 5.83' S13°48'22"E 23.67' S76°11'22"  
5.82' S00°18'10"E 24.74' N76°28'14"E 2.67' S00°05'20"  
S00°05'17"W 12.21' S75°22'53"W 7.77' S00°10'37"E 25.  
10.26' S76°43'29"W 5.25' S00°06'34"W 14.03' S76°48'08"  
7.79' S00°25'50"E 10.10' S75°39'01"W 5.52' S14°06'42"E  
N76°35'06"E 2.73' S00°09'11"E 12.11' N76°30'49"E 5.09'  
S00°41'27"E 25.10' N75°47'46"E 7.69' S00°06'30"E 12.0'  
S75°45'06"W 2.63' S00°14'43"W 24.17' N74°22'56"E 7.7'  
S14°13'31"E 12.69' S75°47'24"W 5.62' S11°32'08"E 12.5'  
S75°44'09"W 7.58' S14°17'58"E 12.25' N75°42'02"E 20.3'  
N14°15'02"W 3.43' N74°58'01"E 6.76' S13°44'35"E 11.5'  
N74°33'50"E 8.59' N00°10'03"W 54.83' N88°33'40"E 1.6'  
BEGINNING.

SOUTH BUILDING:  
COMMENCING AT ORANGE BEACH REFERENCE MONUMENT R  
S58°45'34"E 884.12' TO THE POINT OF BEGINNING, THEN  
N90°00'00"E 52.83' S00°00'00"W 28.25' N90°00'00"E 1.5'  
N90°00'00"E 4.25' S00°00'00"E 20.92' N90°00'00"W 64.5'  
N90°00'00"E 4.25' N00°00'00"E 59.75' N90°00'00"E 1.58'  
BEGINNING.

Page 30 of 59

CONSTRUCTION CONTROL LINE (ADEM)

N82°03'02"E 1006'

ADDEM B44  
N 99311.1731  
E 1949410.5073  
NOT FOUND

N82°03'02"E 1006.95'

page 31 of 59

APURTENANCES OF THE NORTH BUILDING;  
W 42.24' S13°34'57"E 12.03' S75°09'06" W 5.95' S13°37'22"E  
S 48'22"E 23.67' S76°11'22" W 5.87' S13°58'19"E 24.33' S76°07'55" W  
S 7.77' S00°10'37"E 25.04' N75°19'36"E 7.87' S00°20'11" W  
S 06'34" W 14.03' S76°48'08" W 2.43' S00°13'01"E 25.09' N76°13'54"E  
S 39°01" W 5.52' S14°06'42"E 14.53' S76°39'52" W 5.95' S00°23'08"E 24.67'  
E 12.11' N76°30'49"E 5.09' S00°04'31"E 12.31' S76°14'19" W 7.75'  
S 7.69' S00°06'30"E 12.06' S76°01'53" W 5.09' S00°11'34"E 12.63'  
W 24.17' N74°22'56"E 7.75' S00°51'03"E 12.36' S75°31'01" W 5.20'  
S 5.62' S11°32'08"E 12.52' N81°03'43"E 1.88' S14°18'13"E 10.97'  
E 12.25' N75°42'02"E 20.31' S15°00'51"E 3.58' N75°50'51"E 8.91'  
E 6.76' S13°44'35"E 11.58' N76°08'47"E 4.26' N16°12'12" W 5.08'  
W 54.83' N88°33'40"E 1.67' N00°08'13" W 372.44' TO THE POINT OF

H REFERENCE MONUMENT RM 38, THENCE;  
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W 28.25' N90°00'00"E 1.58' S00°00'00"E 59.75'  
E 20.92' N90°00'00" W 64.50' N00°00'00"E 20.92'  
E 59.75' N90°00'00"E 1.58' N00°00'00"E 28.25' TO THE POINT OF

378.48'

N85°07'53"E 474.51'

←  
ADEM B42  
N 99131.6401  
E 1947940.4363  
NOT FOUND

LEGEND OF STANDARD ABBREVIATIONS:

- OEPF - OPEN END IRON PIPE FOUND (SPEC. SIZE)
- CTIF - CRIMPED TOP IRON PIPE FOUND (SPEC. SIZE)
- RRSF - RAILROAD SPIKE FOUND
- CMF - CONCRETE MONUMENT FOUND (SPEC. SIZE & TYPE)
- CRF - CAPPED REBAR FOUND (SPEC. CAP NUMBER)
- CRS - CAPPED REBAR SET (CA-0031LS)
- CSF - COTTON SPINDLE FOUND
- RBF - REBAR FOUND (SPEC. SIZE)
- RBS - REBAR SET
- IRF - IRON ROD FOUND (SPEC. SIZE)
- (APF) DCF - ("ALLEN PIN" OR) DIGGER CHAIN FOUND
- OHPL - OVERHAD POWER LINE
- XFMR - POWER TRANSFORMER
- TP (TPED) - TELEPHONE PEDESTAL
- CATV - CABLE TV PEDESTAL
- PP - POWER POLE OR UTILITY POLE
- WM - WATER METER
- WV - WATER VALVE
- GM - GAS METER
- GV - GAS VALVE
- GWA - GUY WIRE ANCHOR
- NF - NAIL FOUND
- NS - NAIL SET
- R/W - RIGHT OF WAY
- A/C - AIR CONDITIONER
- RCP - REINFORCED CONCRETE PIPE (SPEC. SIZE)
- CMP - COORUGATED METAL PIPE (SPEC. SIZE)
- EOP - EDGE OF PAVEMENT
- GS - GROUND SHOT
- TOB - TOP OF BANK
- TOE - TOE OF SLOPE
- SMH - SANITARY SEWER MANHOLE
- DMH - DRAINAGE MANHOLE

CRS  
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Page 33 of 59

# SURVEYOR'S NOTES:

1. DESCRIPTION FROM CLIENT INSTRUCTION
2. SOURCES OF INFORMATION THIS AND OTHER
3. NO TITLE SEARCH TO NOR PERFORM THERE MAY BE EASEMENTS, RIGHTS COULD AFFECT
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6. THERE WAS NO A OR EXTENT OF UNDERGROUND U APPROPRIATE U
7. NO INVESTIGATION THE EXTENT OR
8. BUILDING SETBACK LOCAL BUILDING
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STATE OF ALABAMA  
COUNTY OF BALDWIN

I, MICHAEL J. KELLEY  
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THE REQUIREMENTS  
LAND SURVEYING  
KNOWLEDGE, INFORMATION  
FIELD WORK FOR

*Michael J. Kelley*  
MICHAEL J. KELLEY

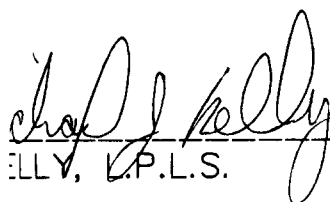
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406.31'  
206.4'  
195.4'  
S78°11'13"W  
97.07'  
FROM ORIGINAL SURVEY NOT FOUND

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FROM PROVIDED SURVEYS, RECORD DOCUMENTS AND  
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ICH, TITLE OPINION OR ABSTRACT WAS FURNISHED  
FORMED BY THIS FIRM FOR THE SUBJECT PROPERTY.  
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RIGHTS-OF-WAY OR OTHER INSTRUMENTS WHICH  
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E FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.  
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D ATTEMPT TO DETERMINE THE EXISTENCE, LOCATION  
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D UTILITIES SHOWN HEREON AS LOCATED BY THE  
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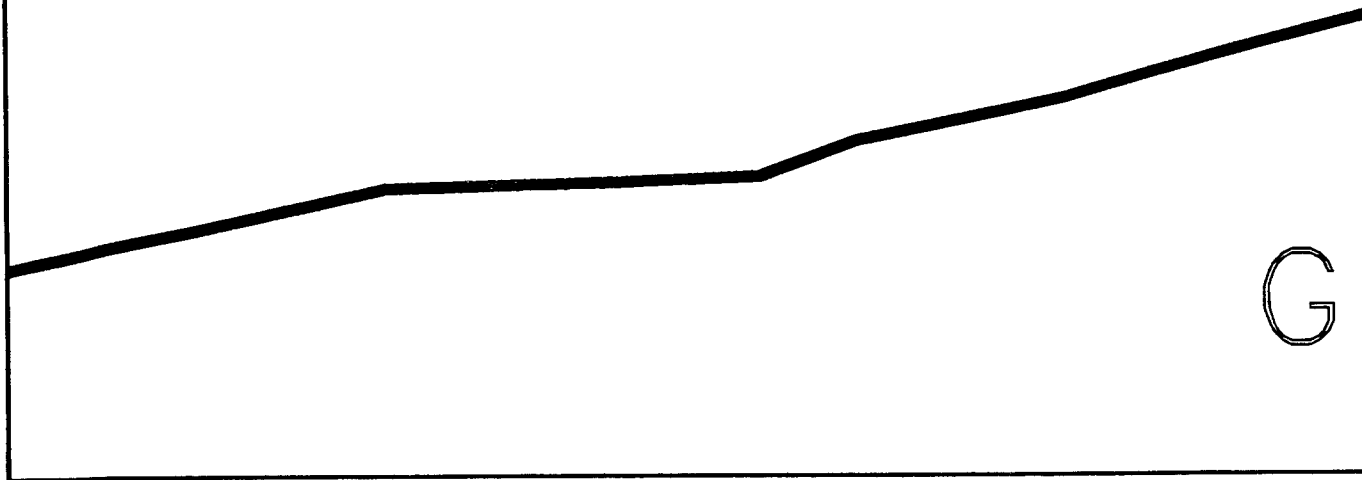
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KELLY, A LICENSED PROFESSIONAL LAND SURVEYOR  
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OR THIS SURVEY WAS PERFORMED DECEMBER, 2005.

  
KELLY, L.P.L.S.

AL LIC. NO. 26275

- IRF - IRON ROD FOUND (SPEC. SIZE)
- (APF) DCF - ("ALLEN PIN" OR) DIGGER CHAIN FOUND
- OHPL - OVERHAD POWER LINE
- XFMR - POWER TRANSFORMER
- ▣ TP (TPED) - TELEPHONE PEDESTAL
- ▣ CATV - CABLE TV PEDESTAL
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- Ⓢ SMH - SANITARY SEWER MANHOLE
- Ⓣ DMH - DRAINAGE MANHOLE
- Ⓣ TMH - TELEPHONE MANHOLE

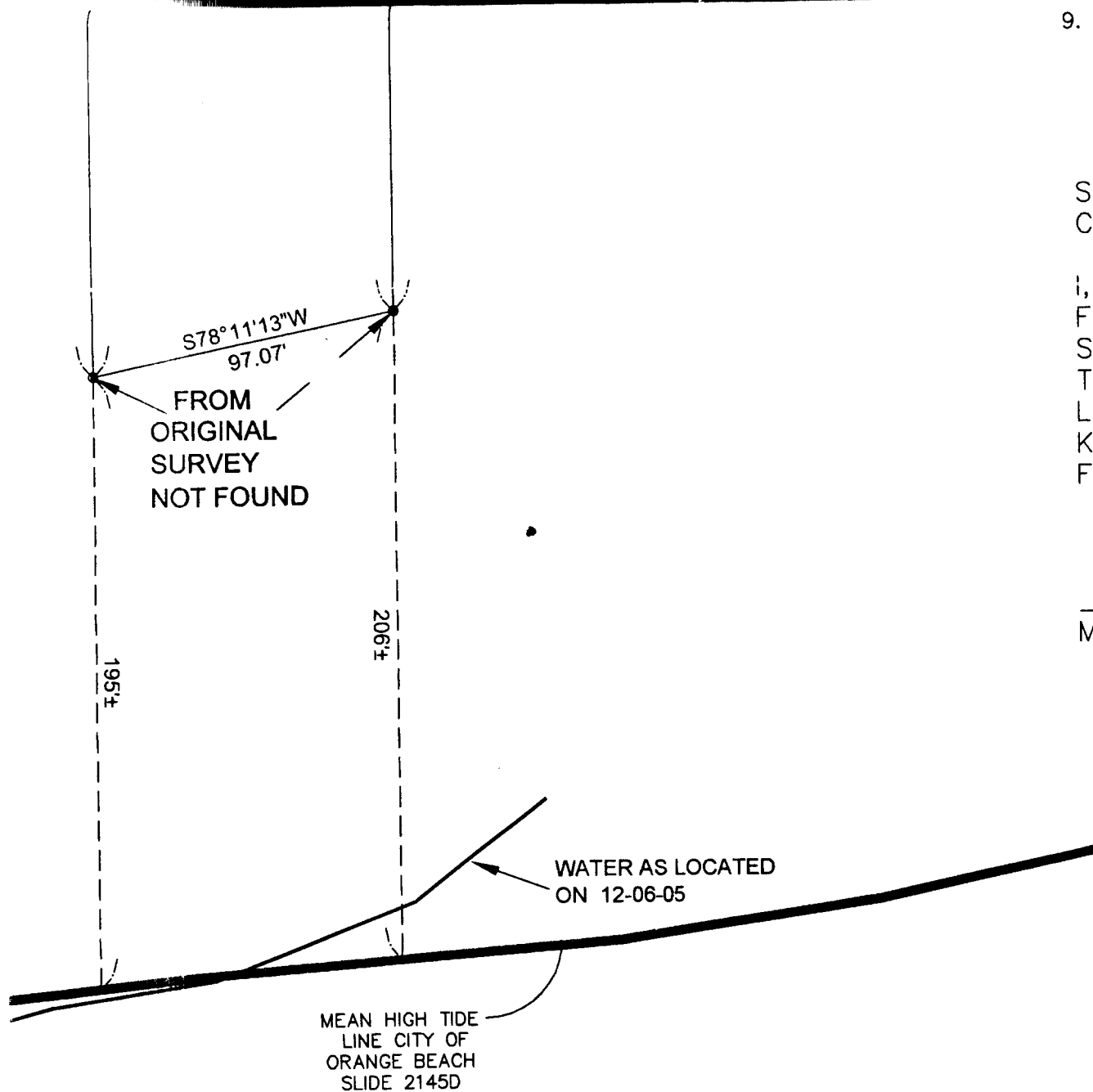


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KELLY, A LICENSED PROFESSIONAL LAND SURVEYOR  
OLIVER, INC., IN THE STATE OF ALABAMA, HEREBY  
SURVEY HAS BEEN COMPLETED IN ACCORDANCE WITH  
STANDARDS OF THE STANDARDS OF PRACTICE FOR  
SURVEYING IN THE STATE OF ALABAMA, TO THE BEST OF MY  
INFORMATION, AND BELIEF.  
ON THIS SURVEY WAS PERFORMED DECEMBER, 2005.

*Michael J. Kelly*  
\_\_\_\_\_  
M.J.K., P.L.S.


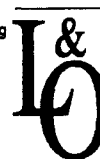
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### GRAPHIC SCALE



( IN FEET )  
1 inch = 50 ft.

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NOT VALID UNLESS ACCOMPANIED BY ORIGINAL SIGNATURE & SEAL		DESCRIPTION SURVEY FOR:	
		<b>PERDIDO DUNES CONDOMINIUMS</b>	
		Drawn By M.J.K. \CD	Scale 1" = 50'
		Checked By M.J.K.	Drawing File I:\D\LP3\505\505-362BOUNDARY12-29.dwg
		Section 10, Township 9 South, Range 5 East Baldwin County, Alabama	
Project No. 505-362		Date 12-29-05	
		<b>Lucido &amp; Oliver Inc.</b>  Consulting Engineers & Land Surveyors 24693 Canal Road Suite A Orange Beach, Alabama 36561 Tel.: (251) 967-3250 Fax: (251) 967-3251 email: loincorp@gulftel.com	

**BY-LAWS**  
**OF**  
**PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC.,**  
**A MASTER ASSOCIATION**

**ARTICLE I**  
**Name, Principal Office and Definitions**

Section 1. Name. The name of the Association shall be PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC. (the "MASTER ASSOCIATION")

Section 2. Principal Office. The principal office of the MASTER ASSOCIATION in the State of Alabama shall be located in Baldwin County. The MASTER ASSOCIATION may have such other offices, either within or outside the State of Alabama, as the BOARD OF DIRECTORS may determine or as the affairs of the MASTER ASSOCIATION may require.

Section 3. Definitions. The words used in these BY-LAWS shall have the same meaning as set forth in that MASTER DECLARATION OF CONDOMINIUM FOR PERDIDO DUNES, A Condominium ("MASTER DECLARATION"), unless the context shall prohibit.

**ARTICLE II**  
**MASTER ASSOCIATION: Membership, Meetings, Quorum, Voting Proxies**

Section 1. Membership and Voting. The MASTER ASSOCIATION shall have one class of membership. However, all voting shall be exercised exclusively by the BOARD OF DIRECTORS, who shall be elected as per the MASTER DECLARATION.

Section 2. Place of Meetings. Meetings of MEMBERS of the MASTER ASSOCIATION shall be held at the principal office of the MASTER ASSOCIATION or at such other suitable place convenient to the MEMBERS as may be designated by the BOARD OF DIRECTORS either within the properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. Except as provided herein, an annual meeting of the MEMBERS of the MASTER ASSOCIATION shall be held within one (1) year from the date of incorporation of the MASTER ASSOCIATION. Subsequent regular

annual meetings shall be set on a date and at a time set by the BOARD OF DIRECTORS.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the MEMBERS of the MASTER ASSOCIATION if so directed by resolution of a MAJORITY of a quorum of the BOARD OF DIRECTORS or upon a petition signed by MEMBERS representing at least twenty percent (20%) of the total votes of both NEIGHBORHOOD ASSOCIATIONS, Perdido Dunes 2006 Condominium Owners Association, Inc. and Perdido Dunes Tower Condominium Owners Association, Inc. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the MEMBERS shall be delivered, either personally or by mail, to each MEMBER entitled to attend such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or PERSONS calling the meeting.

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

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the MEMBER at his address as it appears on the records of the MASTER ASSOCIATION, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the MEMBERS shall be deemed the equivalent of proper notice. Any MEMBER may, in writing, waive notice of any meeting of the MEMBERS, either before or after such meeting. Attendance at a meeting by a MEMBER or alternate shall be deemed waiver by such MEMBER of notice of the time, date and place thereof, unless such MEMBER specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or conveying of the meeting, of which proper notice was not given, is raised before the business is put to a vote of the BOARD OF DIRECTORS.

Section 7. Adjournment of Meetings. If any meeting of the MEMBERS of

the MASTER ASSOCIATION cannot be held because a quorum is not present, a MAJORITY of the MEMBERS who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to MEMBERS in the manner prescribed for regular meetings.

The MEMBERS present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough MEMBERS to leave less than a quorum.

Section 8. Quorum. The presence in person or by alternate of the MEMBERS representing ten percent (10%) of the total votes in the MASTER ASSOCIATION shall constitute a quorum at all meetings of the MASTER ASSOCIATION.

Section 9. Conduct of Meetings. The President shall preside over all meetings of the MEMBERS of the MASTER ASSOCIATION, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

### **ARTICLE III**

#### **BOARD OF DIRECTORS: Number, Powers, Meetings**

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the MASTER ASSOCIATION shall be governed by a BOARD OF DIRECTORS, each of whom shall have one (1) vote. Directors shall be MEMBERS. In the case of an OWNER which is corporation or partnership, the PERSON designated in writing to the Secretary of the MASTER ASSOCIATION as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Number of Directors. The number of directors in the MASTER ASSOCIATION shall be six (6), of which three (3) shall each be appointed from each NEIGHBORHOOD ASSOCIATION.

Section 3. Election and Term of Office. Director's terms shall be for one (1) year or until the next annual meeting of their respective Neighborhood Association. Notwithstanding any other provision contained herein, the provisions of ARTICLE III, Section 2 in the MASTER DECLARATION are incorporated herein for reference as if set out fully herein.

B. Meetings.

Section 4. Regular Meetings. Regular meetings of the BOARD OF DIRECTORS may be held at such time and place as shall be determined from time to time by a MAJORITY of the directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting. Provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 5. Special Meetings. Special meetings of the BOARD OF DIRECTORS shall be held when called by written notice signed by the President of the MASTER ASSOCIATION or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a PERSON at the office or home of the director who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, charges prepaid; (e) by e-mail; or (f) by facsimile. All such notices shall be given at the telephone number of the director or sent to the address and/or e-mail address of the director as shown on the records of the MASTER ASSOCIATION. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, e-mail or facsimile shall be delivered, sent, faxed, telephoned or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 6. Waiver of Notice. The transactions of any meeting of the BOARD OF DIRECTORS, however called and notices or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present, and (b) either before or after the meeting of each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent need not specify the purpose of the meeting. Notice of a meeting shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 7. Quorum of BOARD OF DIRECTORS. At all meetings of the BOARD OF DIRECTORS, a MAJORITY of the directors shall constitute a quorum for the transaction of business, and the votes of a MAJORITY of the directors present at a meeting at which a quorum is present shall constitute the decision of the BOARD OF DIRECTORS. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a MAJORITY of the required quorum for that meeting. If any meeting of the BOARD OF DIRECTORS cannot be held because a quorum is not present, a MAJORITY of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 8. Compensation. No director shall receive any compensation from the MASTER ASSOCIATION; provided any director may be reimbursed for expenses incurred on behalf of the MASTER ASSOCIATION upon approval of a MAJORITY of the other directors.

Section 9. Conduct of Meetings. The President shall preside over all meetings of the BOARD OF DIRECTORS, and the Secretary shall keep a minute book of meetings of the BOARD OF DIRECTORS, recording therein all resolutions adopted by the BOARD OF DIRECTORS and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all directors are able through telephone connection to hear and to be heard.

Section 10. Open Meetings. Meetings of the BOARD may be open to MEMBERS at the discretion of the BOARD OF DIRECTORS, but MEMBERS other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any MEMBER may speak.

Section 11. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 12. Powers. The BOARD OF DIRECTORS shall be responsible for the affairs of the MASTER ASSOCIATION and shall have all of the powers and duties necessary for the administration of the affairs of the MASTER ASSOCIATION.

The BOARD OF DIRECTORS may delegate to one (1) of its members the authority to act on behalf of the BOARD OF DIRECTORS on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the BOARD OF DIRECTORS.

In addition to the duties imposed by these BY-LAWS or by any resolution of the MASTER ASSOCIATION that may hereafter be adopted, the BOARD OF DIRECTORS shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of annual budgets in which there shall be established the contribution of each OWNER to the COMMON EXPENSES and NEIGHBORHOOD EXPENSES;
- (b) making assessments to defray the COMMON EXPENSES and NEIGHBORHOOD EXPENSES, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the BOARD OF DIRECTORS, the annual assessment for the proportionate share of each UNIT of the COMMON EXPENSES shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;
- (c) providing for the operation, care, upkeep and maintenance of all of the AREA OF COMMON RESPONSIBILITY;
- (d) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the MASTER ASSOCIATION and the COMMON AREA and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the MASTER ASSOCIATION; provided, any reserve fund may be deposited, in the directors' best business judgment, in

- depositories other than banks;
- (f) making and amending rules and regulations;
  - (g) opening of bank accounts on behalf of the MASTER ASSOCIATION and designated the signatories required;
  - (h) making or contracting for the making of repairs, additions and improvements to or alterations of the COMMON AREA in accordance with the other provisions of the MASTER DECLARATION and these BY-LAWS after damage or destruction by fire or other casualty;
  - (i) enforcing by legal means the provisions of the MASTER DECLARATION, these BY-LAWS and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the OWNERS concerning the MASTER ASSOCIATION;
  - (j) obtaining and carrying insurance against casualties and liabilities, as provided in the MASTER DECLARATION, and paying the premium cost thereof;
  - (k) paying the cost of all services rendered to the MASTER ASSOCIATION or its MEMBERS and not chargeable directly to specific OWNERS;
  - (l) keeping books with detailed accounts of the receipts and expenditures affecting the MASTER ASSOCIATION and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
  - (m) making available to any prospective purchaser of a UNIT, any OWNER of a UNIT, any first MORTGAGEE, and the holders, insurers and guarantors of a first MORTGAGE on any UNIT, current copies of the MASTER DECLARATION, the ARTICLES OF INCORPORATION, the BY-LAWS, rules governing the UNIT and all other books, records and financial statements of the MASTER ASSOCIATION; and
  - (n) permitting utility suppliers to use portions of the COMMON AREA reasonably necessary to the ongoing development or operation of the properties.

Section 13. Management Agent. The BOARD OF DIRECTORS may employ

for the MASTER ASSOCIATION a professional management agent or agents at a compensation established by the BOARD OF DIRECTORS to perform such duties and services as the BOARD OF DIRECTORS may delegate to the managing agent or manager, subject to the supervision of the BOARD OF DIRECTORS, all of the powers granted to the BOARD OF DIRECTORS by these BY-LAWS, other than the powers set forth in Subparagraphs (a), (b), (f), (g) and (i) of Section 12 of this ARTICLE.

Section 14. Borrowing. The BOARD OF DIRECTORS shall have the power to borrow money for the purpose of maintenance, repair or restoration of the COMMON AREA without the approval of the MEMBERS of the MASTER ASSOCIATION. The BOARD OF DIRECTORS shall also have the power to borrow money for other purposes; provided, the BOARD OF DIRECTORS shall obtain MEMBER approval in the same manner provided in ARTICLE IX, Section 4, of the MASTER DECLARATION for SPECIAL ASSESSMENTS in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the MASTER ASSOCIATION for that fiscal year.

Section 15. Rights of the MASTER ASSOCIATION. With respect to the COMMON AREA, and in accordance with the ARTICLES OF INCORPORATION and the MASTER DECLARATION, the MASTER ASSOCIATION shall have the right to contract with any person for the performance of various duties and functions.

Section 16. Enforcement. The BOARD OF DIRECTORS shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating OWNER, and to suspend their right to vote of an OWNER or to use the COMMON AREA for violation of any duty imposed under the MASTER DECLARATION, these BY-LAWS or any rules and regulations duly adopted hereunder. Provided, however, nothing herein shall authorize the MASTER ASSOCIATION or the BOARD OF DIRECTORS to limit ingress and egress to or from a UNIT due to nonpayment of assessments. In the event that any occupant of a UNIT violates the MASTER DECLARATION, BY-LAWS or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant. Provided, however, if the fine is not paid by the occupant within the time period set by the BOARD OF DIRECTORS, the OWNER shall pay the fine upon notice from the MASTER ASSOCIATION. The failure of the BOARD OF DIRECTORS to enforce any provision of the MASTER DECLARATION, BY-LAWS or any rule or regulation shall not be deemed a waiver of the right of the BOARD OF DIRECTORS to do so thereafter.

- (a) Notice. Prior to imposition of any sanction hereunder, the BOARD OF DIRECTORS or its delegate shall serve the alleged violator

with written notice describing: (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the BOARD OF DIRECTORS for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the OWNER a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The BOARD OF DIRECTORS may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any PERSON.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the MASTER ASSOCIATION, acting through the BOARD OF DIRECTORS, may elect to enforce any provision of the MASTER DECLARATION, these BY-LAWS or the rules and regulations of the MASTER ASSOCIATION by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the OWNER or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

## **ARTICLE IV**

### **Officers**

Section 1. Officers. The officers of the MASTER ASSOCIATION shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the BOARD OF DIRECTORS. The BOARD OF DIRECTORS may appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the BOARD OF DIRECTORS. Any two (2) or more officers may be held by the same PERSON, except the offices of President and Secretary.

Section 2. Election, Term of Office and Vacancies. The officers of the MASTER ASSOCIATION shall be elected annually by the BOARD OF DIRECTORS at the first meeting of the BOARD OF DIRECTORS subsequent to each annual meeting of the NEIGHBORHOOD ASSOCIATIONS. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the BOARD OF DIRECTORS of the effected NEIGHBORHOOD ASSOCIATION for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the BOARD OF DIRECTORS whenever in its judgment the best interests of the MASTER ASSOCIATION will be served thereby.

Section 4. Powers and Duties. The officers of the MASTER ASSOCIATION shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the BOARD OF DIRECTORS. The President shall be the chief executive officer of the MASTER ASSOCIATION. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the MASTER DECLARATION and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the BOARD OF DIRECTORS, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the MASTER ASSOCIATION shall be executed by at least two (2) officers or by such

other PERSON or PERSONS as may be designated by resolution of the BOARD OF DIRECTORS.

## **ARTICLE V** **Committee**

Committees are hereby authorized to perform such tasks and to serve for such period as may be designated by a resolution adopted by a MAJORITY of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the BOARD OF DIRECTORS designating the committee or with rules adopted by the BOARD OF DIRECTORS.

## **ARTICLE VI** **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the MASTER ASSOCIATION shall be set by resolution of the BOARD OF DIRECTORS.

Section 2. Parliamentary Rules. Except as may be modified by BOARD resolution, Robert's Rules of Order (current edition) shall govern the conduct of MASTER ASSOCIATION proceedings when not in conflict with Alabama Law, the ARTICLES OF INCORPORATION, the MASTER DECLARATION or these BY-LAWS.

Section 3. Conflicts. If there are conflicts between the provisions of Alabama Law, the ARTICLES OF INCORPORATION, the MASTER DECLARATION and these BY-LAWS, the provisions of Alabama Law, the MASTER DECLARATION, the ARTICLES OF INCORPORATION and the BY-LAWS (in that order) shall prevail.

Section 4 Books and Records.

(a) Inspection by MEMBERS and MORTGAGEES. The MASTER DECLARATION and BY-LAWS, membership register, books of account and minutes of meetings of the MEMBERS, if any, the BOARD OF DIRECTORS and committees shall be made available for inspection and copying by any MORTGAGEE, MEMBER of the MASTER ASSOCIATION or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a MEMBER at the office of the MASTER ASSOCIATION or at such other place within the CONDOMINIUM PROPERTY as the BOARD OF DIRECTORS shall prescribe.

(b) Rules for Inspection. The BOARD OF DIRECTORS shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the MASTER ASSOCIATION and the physical properties owned or controlled by the MASTER ASSOCIATION. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the MASTER ASSOCIATION.

Section 5. Notices. Unless otherwise provided in these BY-LAWS, all notices, demands, bills, statements or other communications under these BY-LAWS shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) if to a MEMBER, at the address which the MEMBER has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the UNIT of such MEMBER; or
- (b) if to the MASTER ASSOCIATION, the BOARD OF DIRECTORS or the managing agent, at the principal office of the MASTER ASSOCIATION or the managing agent, if any, or at such other address as shall be designated by notice in writing to the MEMBERS pursuant to this Section.

Section 6. Amendment. The BY-LAWS may be amended in the same manner as the MASTER DECLARATION as provided for in ARTICLE XII, Section 1, of the MASTER DECLARATION.

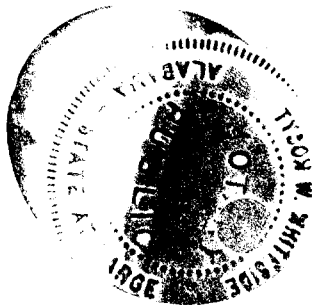
IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has caused this instrument to be duly executed on the date first written above.

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that KENT BYRAM, whose name as Secretary of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.


GIVEN under my hand and seal on this the 4<sup>th</sup> day of January, 2006.

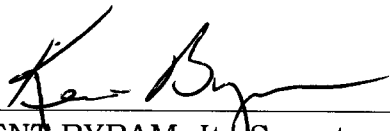


Tyson W. Whiteside  
NOTARY PUBLIC

My Commission Expires 6/29/09

PERDIDO DUNES CONDOMINIUM  
ASSOCIATION, INC.  
an Alabama Non-Profit Corporation

BY:   
JIM MEZRANO, Its President

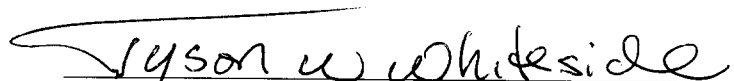
ATTESTED BY:   
KENT BYRAM, Its Secretary

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that JIM MEZRANO, whose name as President of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4<sup>th</sup> day of January, 2006.

  
NOTARY PUBLIC

My Commission Expires: 6/29/09

## **ARTICLES OF INCORPORATION**

### **OF**

### **PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC.,** **A MASTER ASSOCIATION**

The undersigned, acting as Incorporator, does hereby form a corporation under the *Alabama Non-Profit Corporation Act, Code of Alabama, 1975, § 10-3A-1*, et seq. ("ACT") and adopts the following ARTICLES OF INCORPORATION:

#### **ARTICLE ONE** **NAME**

The name of this Corporation shall be PERDIDO DUNES CONDOMINIUM OWNERS ASSOCIATION, INC. ("MASTER ASSOCIATION").

#### **ARTICLE TWO** **DEFINITIONS**

All terms used herein shall have the meaning given for each of them stated in the MASTER DECLARATION OF CONDOMINIUM FOR PERDIDO DUNES, A Condominium ("MASTER DECLARATION"), unless the context otherwise requires, and are hereby incorporated by reference and made a part hereof. In the event of a conflict between the provisions of the MASTER DECLARATION, ARTICLES OF INCORPORATION or BY-LAWS, the MASTER DECLARATION prevails and then the ARTICLES OF INCORPORATION, except to the extent the MASTER DECLARATION is inconsistent with the ACT.

#### **ARTICLE THREE** **PERIOD OF DURATION**

The period of duration for the MASTER ASSOCIATION is perpetual unless and until hereafter legally dissolved.

#### **ARTICLE FOUR** **NOT FOR PROFIT**

The MASTER ASSOCIATION is not organized for pecuniary profit, it shall pay no dividend, and shall distribute no part of its income to its MEMBERS, directors or officers. Nevertheless, the MASTER ASSOCIATION may pay compensation in a reasonable amount to its MEMBERS, directors and officers for services rendered, and it may confer benefits on its MEMBERS in conformity with

the MASTER DECLARATION and for the purposes of the MASTER ASSOCIATION. On termination, the MASTER ASSOCIATION may make distributions to its MEMBERS as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income. All funds and properties acquired by the MASTER ASSOCIATION and the proceeds therefrom shall be held in trust for the MEMBERS of the MASTER ASSOCIATION in accordance with the provisions of the ACT, the MASTER DECLARATION and the BY-LAWS of the MASTER ASSOCIATION. The MEMBERS of this MASTER ASSOCIATION shall not be personally liable for the debts, liabilities or obligations of this MASTER ASSOCIATION.

#### **ARTICLE FIVE** **PURPOSES**

The MASTER ASSOCIATION is organized for the purpose of administering, maintaining, operating and managing the COMMON AREA CONDOMINIUM PROPERTY known as Perdido Dunes, a Condominium, located on the Gulf of Mexico in Orange Beach, Baldwin County, Alabama, according to the MASTER DECLARATION and to do all things incident, necessary, convenient, expedient, ancillary or in aid of the accomplishment of the foregoing.

#### **ARTICLE SIX** **POWERS**

The MASTER ASSOCIATION shall have all the common law and statutory powers of a non-profit corporation and shall have all the powers, duties and authority vested in the MASTER ASSOCIATION by the ACT, the MASTER DECLARATION or these ARTICLES OF INCORPORATION, including but not limited to the following:

1. Exercise all of the powers and privileges and to perform all of the duties and obligations of the MASTER ASSOCIATION as set forth in the MASTER DECLARATION applicable to the CONDOMINIUM PROPERTY and recorded or to be recorded in the Office of the Judge of Probate of Baldwin County, Alabama and as the same may be amended from time to time as therein provided, the MASTER DECLARATION being incorporated herein as if set forth at length;
2. Fix, levy, collect and enforce payment by any lawful means, all charges or ASSESSMENTS pursuant to the terms of the MASTER DECLARATION; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the MASTER ASSOCIATION, including all licenses, taxes or

governmental charges levied or imposed against the property of the MASTER ASSOCIATION.

3. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the MASTER ASSOCIATION;
4. Borrow money, as provided in the MASTER DECLARATION, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
5. Dedicate, sell or transfer all or any part of the COMMON AREA or COMMON PROPERTY to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS according to the terms of the MASTER DECLARATION.
6. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and COMMON AREA, according to the terms of the MASTER DECLARATION;
7. Have and exercise any and all powers, rights and privileges which a corporation organized under the ACT may not or hereafter have or exercise.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may nor or hereafter be allowed or permitted by Alabama Law or by the MASTER DECLARATION.

## **ARTICLE SEVEN**

### **MEMBERSHIP AND VOTING RIGHTS**

This MASTER ASSOCIATION shall issue no shares of stock of any kind or nature whatsoever. Every PERSON or entity who is a record OWNER of a fee interest or undivided fee interest in any UNIT in the CONDOMINIUM PROPERTY shall be a MEMBER of the MASTER ASSOCIATION which MEMBERSHIP shall be subject to the terms and conditions of the MASTER DECLARATION. The foregoing is not intended to include PERSONS or entities who hold an interest merely as security for the performance of an obligation, unless and until such security holder or MORTGAGEE has acquired title to the UNIT pursuant to foreclosure or any

proceeding in lieu thereof and the deed thereby evidencing title has been duly and properly recorded at which time such security holder or MORTGAGEE shall become a MEMBER and the debtor's membership shall thereupon cease, regardless of whether or not there is an outstanding right of redemption to the UNIT. Membership shall be appurtenant to and may not be separated from the ownership of any UNIT. The share of a MEMBER in the funds or assets of the MASTER ASSOCIATION cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the UNIT. The MEMBERS shall enjoy such qualifications, rights and voting rights as may be fixed in the MASTER DECLARATION and in the BY-LAWS of the MASTER ASSOCIATION.

### **ARTICLE EIGHT** **BOARD OF DIRECTORS**

The property, business and affairs of the MASTER ASSOCIATION shall be managed by the BOARD OF DIRECTORS consisting of six (6) members, three (3) which shall be elected and appointed by MEMBERS of Perdido Dunes 2006 Condominium Owners Association, Inc. and three (3) of which shall be appointed by the MEMBERS of Perdido Dunes Tower Condominium Owners Association, Inc.

All the duties and powers of the MASTER DECLARATION, these ARTICLES OF INCORPORATION, and the BY-LAWS shall be exercised exclusively by the BOARD OF DIRECTORS, its agents, contractors or employees, subject only to approval by its MEMBERS when such approval is specifically required by the MASTER DECLARATION, these ARTICLES OF INCORPORATION or the BY-LAWS.

The initial BOARD OF DIRECTORS, who shall hold office until election or appointment of their successors, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
TBA	TBA
TBA	TBA
TBA	TBA
TBA	TBA
TBA	TBA
TBA	TBA

**ARTICLE NINE**  
**BY-LAWS**

The BY-LAWS of the MASTER ASSOCIATION shall be adopted by the BOARD OF DIRECTORS and may be altered, amended or rescinded in the manner provided by the BY-LAWS.

**ARTICLE TEN**  
**OFFICERS**

The affairs of the MASTER ASSOCIATION shall be administered by the officers designated in accordance with the BY-LAWS.

**ARTICLE ELEVEN**  
**INDEMNIFICATION AND LIMITATION OF LIABILITY**

Every DIRECTOR and every officer of the MASTER ASSOCIATION shall be indemnified by the MASTER ASSOCIATION against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon each DIRECTOR may be a party, or in which each DIRECTOR may become involved, by reason of his or her being or having been a DIRECTOR or officer of the MASTER ASSOCIATION, whether or not he or she is a DIRECTOR or officer at the time such expenses are incurred, except in such cases wherein the DIRECTOR or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the BOARD OF DIRECTORS approves such settlement and reimbursement as being in the best interest of the MASTER ASSOCIATION. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such DIRECTOR or officer may be entitled.

A DIRECTOR of the MASTER ASSOCIATION shall not be liable to the MASTER ASSOCIATION or its MEMBERS for money damages for any action taken, or any failure to take action, as a DIRECTOR, except for: (i) the amount of a financial benefit received by such DIRECTOR to which such DIRECTOR is not entitled; (ii) an intentional infliction of harm by such DIRECTOR on the MASTER ASSOCIATION or its MEMBERS; (iii) a violation of the *Code of Alabama, 1975, § 10-2B-8.33*, or any successor provision to such section; (iv) an intentional violation by such DIRECTOR of criminal law; or (v) a breach of duty of loyalty by such DIRECTOR to the MASTER ASSOCIATION or its MEMBERS. If the Alabama Business Corporation Act, or successor statute thereto, is hereafter amended to authorize the further elimination or limitation of the liability of a DIRECTOR of a corporation, or to provide greater rights of indemnification for any officer, director,

agent or employee of a corporation, then the liability of a DIRECTOR of the MASTER ASSOCIATION, in addition to the limitations on liability provided herein, shall be limited to the fullest extent permitted by the Alabama Business Corporation Act as amended or any successor statute thereto, and the rights of indemnification of such officer, DIRECTOR, employer or agent shall be similarly enhanced to the fullest extent thereby permitted. Any repeal or modification of this ARTICLE by the MEMBERS of the MASTER ASSOCIATION shall be prospective only and shall not adversely effect any limitation on the liability or rights of indemnification of a DIRECTOR of the MASTER ASSOCIATION existing at the time of such repeal or modification.

## **ARTICLE TWELVE** **INCORPORATOR**

The name and address of the Incorporator of the MASTER ASSOCIATION is:

### **NAME**

Perdido Dunes Condominium  
Association, Inc., an Alabama  
Non-Profit Corporation

### **ADDRESS**

Post Office Box 2405  
Gulf Shores, AL 36547

## **ARTICLE THIRTEEN** **REGISTERED OFFICE AND AGENT**

The location address of the initial registered office of the MASTER ASSOCIATION is 121-B Cove Avenue, Gulf Shores, Alabama 36542. The mailing address of the initial registered office of the MASTER ASSOCIATION is Post Office Box 2405, Gulf Shores, Alabama 36547. The name of the initial agent at such address is BARB FRERMAN.

## **ARTICLE FOURTEEN** **AMENDMENT**

These ARTICLES OF INCORPORATION may be amended as provided in the ACT, provided that no amendment shall be in conflict with the MASTER DECLARATION and provided further that no amendment shall be effective to impair or dilute any rights of any MEMBERS that are governed by the MASTER DECLARATION.

**ARTICLE FIFTEEN**  
**DISSOLUTION**

The MASTER ASSOCIATION shall be dissolved upon the termination of the CONDOMINIUM PROPERTY in the manner provided by the MASTER DECLARATION. Upon dissolution of the MASTER ASSOCIATION, the assets of the MASTER ASSOCIATION, if any, and all money received by the MASTER ASSOCIATION from its operations, after the payment in full of all debts and obligations of the MASTER ASSOCIATION of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided for in the ACT.

IN WITNESS WHEREOF, the Incorporator has caused this instrument to be executed this 21<sup>st</sup> day of January, 2006.

PERDIDO DUNES CONDOMINIUM  
ASSOCIATION, INC.  
an Alabama Non-Profit Corporation

  
BY: JIM MEZRANO, Its President

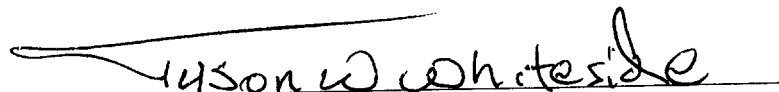
  
ATTESTED BY: KENT BYRAM, Its Secretary

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that JIM MEZRANO, whose name as President of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4<sup>TH</sup> day of January, 2006.

  
NOTARY PUBLIC

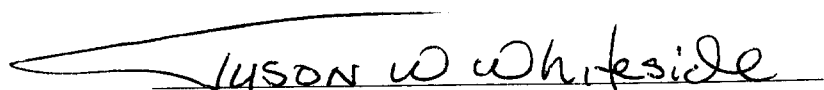
My Commission Expires: 6/29/09

STATE OF ALABAMA )

COUNTY OF BALDWIN )

I, the undersigned, a Notary Public in and for said State and County, hereby certify that KENT BYRAM, whose name as Secretary of Perdido Dunes Condominium Association, Inc., an Alabama Non-Profit Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such member and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal on this the 4<sup>TH</sup> day of January, 2006.

  
NOTARY PUBLIC

My Commission Expires: 6/29/09