

**EXHIBIT D**  
  
**BY-LAWS**  
  
**OF**  
  
**ROYAL PALMS CONDOMINIUM OWNERS**  
  
**ASSOCIATION, INC.**

**ARTICLE I**  
  
**PURPOSE AND APPLICATION**

1.01. Purpose and Application. The following are the By-Laws of **ROYAL PALMS CONDOMINIUM OWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association," a not for profit corporation, organized pursuant to the Alabama Nonprofit Corporation Act, Section 10-3A-1, et seq. Code of Alabama (1975), as amended, and the Alabama Uniform Condominium Act of 1991 Section 35-8A-101, et seq., Code of Alabama (1975), as amended, formed for the purpose of managing and operating a certain condominium located in Baldwin County, Alabama, know as **Royal Palms**, a condominium, hereinafter referred to as the "Condominium."

The provisions of the By-Laws are applicable to the entirety of the Condominium property and all improvements thereon.

All present or future owners, tenants and their employees, and any other persons or

entities that might use the facilities of Royal Palms in any manner, are subject to the regulations and provisions set forth in these By-Laws and to the Rules and Regulations established and promulgated by the Association of Unit Owners pursuant to the By-Laws and the Condominium Declaration.

The mere acquisition or rental of any of the units of Royal Palms or the mere act of occupancy of any said Units will signify that these By-Laws and the provisions of the Declaration and any Rules and Regulations, as they each may be amended from time to time, are accepted, ratified and will be complied with.

## ARTICLES II

### PRINCIPAL OFFICE AND AGENT

2.01. Principal Office. The principal office of the Association shall initially be at 559 East Beach Blvd., Gulf Shores, Alabama 36542, or at such other place as may be designated subsequently by the Board of Directors or as the business of the corporation may require. All books and records of the Association shall be kept at its principal office. The mailing address of the Association shall initially be c/o Timothy D. Garner, Attorney at Law, Post Office Box 3304, Gulf Shores, Alabama 36547-3304.

2.02. Principal Agent. The initial registered agent of the Association at such office shall be Timothy D. Garner, Attorney at Law.

## ARTICLE III

### DEFINITIONS

3.01. Declaration Defined. "Declaration" shall mean that certain Declaration of

Condominium of Royal Palms, a condominium, filed in the Office of the Judge of Probate of Baldwin County, State of Alabama, as the same may be amended from time to time in accordance with the terms thereof.

3.02. Other Terms Defined. Other terms used herein shall have the meaning given to them in the Declaration and are hereby incorporated by reference and made a part hereof.

## ARTICLE IV

### MEMBERSHIP

4.01 Qualification. The sole qualification for membership shall be ownership of a Unit in the Condominium. No membership may be separated from the Unit to which it is appurtenant.

4.02. No Additional Qualifications. No initiation fees, costs or dues shall be assessed against any person as a condition of the exercise of the rights of membership except such assessments, levies, and charges as are specifically authorized by the Declaration.

4.03. Succession. The membership of each Unit Owner shall automatically terminate on the conveyance, transfer, or other disposition of a Unit Owner's interest in the Unit. The Unit Owner's membership shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. On the conveyance, transfer, or other disposition of a portion of a Unit Owner's interest in a Unit, the transferring Unit Owner and the transferee shall each be members of the Association in accordance with the ownership interest of each following such conveyance or transfer.

4.04. Certificates of Membership. The Association shall issue no shares of stock of any kind or nature whatsoever.

## ARTICLE V

### MEETINGS OF MEMBERS

5.01. Annual Meeting. The annual meeting of the members shall be held on the date, at the place, and at the time, as determined by the Board of Directors from time to time; provided however, that there shall be an annual meeting every calendar year and not later than thirteen months after the last preceding annual meeting. The purpose of the annual meeting shall be to elect the Directors, and to transact any other business authorized to be transacted by the Members or stated in the notice of the meeting sent to Members in advance thereof.

5.02. Special Meeting. Special meetings of the Members may be called at any time by the President, a majority of the Board, or on receipt by the Board of a written request of Members representing at least twenty percent (20%) of the total votes of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

5.03. Notice of Meeting. Notice of all meetings of Members shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes, and any proposal to remove an officer of a member of the Board. Notices shall be prepared and delivered by or at the direction of the Secretary, and may be delivered either personally or by mail to a Member at the address given to the Board by said Member, or to the Member's Unit if no such address has been given to the Board. Notice of the annual meeting and special meetings shall be mailed or delivered to each Member not less than ten (10) days prior to the meeting. No notices of annual or special meetings shall be mailed or delivered more than sixty (60) days prior to such meeting. A copy of

the notice of any meeting of Members shall also be posted in a conspicuous place on the Condominium Property at least seven (7) days prior to the meeting. Proof of such notice shall be given by the affidavit of the person giving the notice.

5.04. Waiver of Notice. Any Member or mortgagee may waive the right to receive notice of the annual meeting by sending a written waiver to the Board of Directors. Notice of specific meetings may be waived before or after the meeting, orally or in writing. Attendance by a Member at an annual or special meeting, either in person or by proxy, shall constitute waiver of notice of such meeting.

5.05. Quorum. A quorum of Members for any meeting shall be deemed present throughout such meeting if Members, represented in person or by proxy, holding more than thirty-three percent (33%) of the votes entitled to be cast at such meeting are present at the beginning of such meeting, except as otherwise provided by law, by the Articles of Incorporation, by the Declaration of Condominium, or by the By-Laws.

5.06. Adjournment for Lack of Quorum. In the absence of a quorum at any meeting of members, a majority of those Members entitled to vote thereat, present in person or by proxy, shall have the power to adjourn the meeting, from time to time, without notice other than announcement of the meeting, until the requisite number of members, present in person or by proxy, shall be present. At such adjourned meeting at which the requisite number of votes shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

5.07. Action Without Meeting. Any action which may be taken at a meeting of the

Members may also be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the number of members required to take such action at a meeting, and is filed with the Secretary of the Association.

5.08. Order of Business. The order of business at annual meetings of Member and, as far as practical, at all other meetings of Members, shall be as follows, to-wit:

- Call to Order
- Calling of the roll and certifying of proxies
- Proof of notice of meeting or waiver of notice
- Reading and disposal of any unapproved minutes
- Reports of officers
- Reports of committees
- Election of Directors
- Unfinished business
- New business
- Adjournment

5.09. Minutes of Meeting. The minutes of all meetings of Members shall be kept in a book available for inspection by Unit Owners or their authorized representatives.

5.10. Proviso. Provided, however, the Developer shall retain control of the Association in accordance with the terms and conditions of the Declaration.

## ARTICLE VI

### MEMBER'S VOTING RIGHTS

6.01. Number of Votes. The number of votes to which each Unit is entitled is provided in the Declaration. The votes of a Unit shall not be divisible.

6.02. Vote Required to Transact Business. When a quorum is present, the holders of a majority of the voting rights present, in person or by proxy, shall decide any question brought before the meeting, unless the question is one on which, by express provision of the Act or the

Condominium Documents, a different number or manner of voting is required, in which case the express provision shall govern and control the decision in question.

6.03. Designation of Voting Members. If a Unit is owned by more than one person, the person entitled to cast the vote or votes for the Unit may be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, partnership, trust, or other legal entity, the person entitled to cast the vote or votes for the Unit may be designated by a certificate of appointment signed by a duly authorized representative of the entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit involved. A certificate may be revoked by any owner of an interest in the Unit.

6.04. Failure to Designate a Voting Member. If a Unit is owned by more than one person and they do not designate a voting member, the following provisions shall apply, to-wit:

(1) If more than one such owner is present at any meeting, and they are unable to concur in a decision on any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, however, said vote or votes shall be included in the determination as to the present of, or lack thereof, of a quorum.

(2) If only one such owner is present at a meeting, that person shall be entitled to cast the vote or votes pertaining to the Unit.

(3) If more than one such owner is present at the meeting, and they concur, any one such owner may cast the vote or votes for the Unit.

6.05. Voting by Proxy. Votes may be cast in person or by proxy, as provided for in the Act. All proxies must be in writing, dated, signed by the Member generating the proxy, and filed with the Secretary of the Association before the appointed time of any meeting to which it applies. A member may revoke a proxy at any time by delivering a written notice of revocation to the Association.

6.06. Conditional Proxy. The granting of a mortgage on a Unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such Unit at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the Unit Owner(s) votes attributable to their unit; however, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that Unit shall be recognized by the Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

## ARTICLE VII

### BOARD OF DIRECTORS

7.01. Number. The affairs of this Association shall be managed by a Board of Directors, consisting of the number as may be selected by the members; however the Board shall initially consist of not less than three (3) persons nor more than five (5) persons.



7.02. Qualification. Except for Directors appointed by the Developer, each Director shall be a Unit Owner. If a Unit Owner is a trust, then the beneficiary of the trust may be a Director, and if a Unit Owner is a corporation or partnership, then an officer, partner, or employee of such Unit Owner may be a Director. If a Director shall cease to meet such qualifications during his term, he shall cease to be a Director and his place on the Board shall be deemed vacant.

7.03. Appointment by Developer. The initial Board of directors, as well as successor Directors, shall be appointed by the Developer/Declarant, and may be removed by the Developer/Declarant at any time. The Developer/Declarant shall have the right to appoint and remove Directors in accordance with the terms of the Declaration. The Directors appointed by the Developer need not be Unit Owners.

7.04 Nomination for Election. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of Members or at any other meeting of Members called for the purpose of electing Directors. Nominations shall also be made by a nominating committee appointed by the Board prior to the annual meeting of the Members or prior to any other meeting of members called for the purpose of electing Directors.

7.05. Initial Election of Directors. At such time as the Unit Owners are entitled to elect one or more Directors, in accordance with the terms of the Act, the Association shall call a meeting of the Members to elect the Director. The Association shall give not less than ten (10) days nor more than fifty (50) days notice of the meeting to each Member. The meeting may be called and the notice may be given by any Unit Owner if the Association fails to do so. The

election shall be conducted in the manner specified in Paragraph 7.06.

7.06. Election of Directors. Directors shall be elected at the annual meeting of Members. The election shall be by secret ballot, unless dispensed with by unanimous consent, and each Member shall be entitled to vote for each vacancy. There shall be no cumulative voting. Those candidates receiving the greatest number of votes cast either in person or by proxy shall be elected.

7.07. Term. Each Director elected by the Members shall hold office until the next annual meeting of Members, and until his successor shall be elected and qualified, or until he resigns or is removed in any manner provided elsewhere herein. Each Director appointed by the Developer shall hold office until he resigns, is removed by the Developer, or his term expires as provided for herein and in the Declaration.

7.08. Vacancies. Any vacancy in the position of a Director elected by the Members of the Association shall be filled by a majority vote of the remaining Directors, and any Director so elected shall hold office for a term equal to the unexpired term of the Director whom he succeeds. Any vacancy in the position of a Director appointed by the Developer shall be filled by the Developer, except as provided in the Act.

7.09. Removal. Any Director may be removed for cause by the concurrence of two-thirds (2/3) of the votes of the Association in accordance with the provisions of the Act. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting.

7.10. Compensation. A Director shall not receive any compensation for any service he may render to the Association as a Director; provided, however, that any Director may be

reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

7.11. Proviso. Provided, however, the Developer shall retain control of the Association in accordance with the terms and conditions of the Declaration.

## ARTICLE VIII

### MEETINGS OF DIRECTORS

8.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place, and at such time and date as the Board shall designate. Notice of the regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, and shall be transmitted at least fourteen (14) days prior to the meeting.

8.02. Special Meetings. Special meetings of the Directors may be called by the President at any time, and must be called by the President or Secretary at the written request of a majority of the Directors. A notice of the meeting stating the time, place and purpose of the meeting shall be given to each Director, personally or by mail, telephone, or telegraph, at least three days prior to the meeting.

8.03. Open Meetings. All meetings of the Board of Directors shall be open to all members of the Association, and notice of such meetings shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours prior to the meeting, except in the event of any emergency.

8.04. Waiver of Notice. Any Director may waive notice of a meeting either before or after the meeting, or may consent to the holding of a meeting without notice. Attendance by any Director at a meeting shall constitute waiver of notice of that meeting, except when attendance is

for the express purpose of objecting at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called.

8.05. Quorum. A quorum shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Directors approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such a Director for the purpose of determining a quorum.

8.06. Action Without Meeting. Any action permitted or required to be taken at a meeting of the Directors may be taken without a meeting if written consent setting forth the action so taken shall be signed by all the Directors, and filed with the minutes of the proceedings of the Board.

8.07. Presiding Officer. The presiding officer of the directors' meeting shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

8.08. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a minute book available for inspection by Unit Owners, or their authorized representatives, or by Directors at any reasonable time.

8.09. Order of Business. The order of business at Directors' meetings shall be:

- Call of Roll
- Proof of due notice of meeting
- Reading and disposal of unapproved minutes
- Reports of Officers and Committees

Election of Officers  
Unfinished business  
New business  
Adjournment

## ARTICLE IX

### POWERS AND DUTIES OF THE DIRECTORS

9.01. Specific Powers. The Board of Directors shall have the power to exercise all powers, duties, and authority vested in the Association by the Act, the Declaration, or these By-Laws, except for such powers and duties reserved thereby to the Members or the Developer. The powers and duties of the Board shall include, but shall not be limited to, the following, to-wit:

- (1) To elect and remove officers of the Association as hereinafter provided.
- (2) To administer the affairs of the Association and the Condominium Property.
- (3) To maintain bank accounts on behalf of the Association and to designate signatories required therefor.
- (4) To sell, lease, mortgage, or otherwise deal with Units acquired by the Association.
- (5) To pay the cost of all taxes and utilities assessed against the Condominium that are not assessed and billed to the owners of individual Units.
- (6) To borrow money on behalf of the Association when required in connection with the operation, care upkeep, and maintenance of the Common and Limited Common Elements, provided, however, that the consent of a least two-thirds (2/3) of the votes of the Members, obtained at a meeting duly called and held for such purpose in accordance with the provision of these By-Laws, shall be required for the borrowing of such money.

- (7) To estimate the amount of the annual budget and to make, levy, enforce, and collect Assessments against Unit Owners to defray the costs, expenses, and losses for the Condominium, and to provide adequate remedies for failure to pay such assessments.
- (8) To use the proceeds of Assessments in the exercise of its powers and duties.
- (9) To maintain, repair, replace, and operate the Condominium Property, including the reasonable right of entry upon any unit to make emergency repairs and to do other work reasonable necessary for the proper maintenance and operation of the project and the right to grant permits, licenses, and easements over the common areas for utilities, roads, and other purposes reasonable necessary or useful for the proper maintenance or operation of the project.
- (10) To purchase insurance on the property, and to purchase insurance for the protection of the Association and its Members, and the members of the Board of Directors and Officers of the Association.
- (11) To reconstruct improvements after casualty and to further improve the property.
- (12) To make and amend reasonable Rules and Regulations respecting the use of the property and the operation of the Condominium.
- (13) To enforce by legal means the provisions of the Act, the Declaration, the Articles of Incorporation, these By-laws, and the Rules and Regulations for the use of the property.
- (14) To contract for the management of the property and to delegate to such managing agent all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.
- (15) To contract for the management or operation of portions of the Common Elements

of the Condominium susceptible to separate management or operation, and to lease such portions.

(16) To retain attorneys and accountants.

(17) To employ personnel to perform the services required for proper operation of the Condominium.

(18) Except as prohibited in the Declaration or The Act, to purchase a Unit of the Condominium for the purposes authorized in the Declaration.

(19) To maintain a class action and to settle a cause of action on behalf of owners with reference to the Common Elements, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building as distinguished from such elements serving only one unit, and to bring an action and to settle the same on behalf of two or more of the owners, as their respective interests may appear, with respect to any cause of action relating to the Common Elements or more than one condominium unit; all as the Board deems advisable.

(20) To procure such fidelity bonds, as the Board deems advisable, covering officers and employees of the Association handling and responsible for the Association's funds and personal property, and to procure Directors' and Officers' liability insurance, if the Board deems it advisable, and the premiums of such bonds and insurance shall be paid by the Association as common expenses.

9.02. Committees. The Board of Directors may, by resolution, appoint such committees as deemed appropriate in carrying out its purpose, and such committees shall have

the powers of the Board of Directors for the management of the affairs and business of the Association to the extent provided in the resolution designating such a committee. Any such committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors.

9.03. Managing Agent. The Board of Directors shall be authorized to employ the services of a manager or managing agent, who may either be a Director, Officer, or employee of the Association, or an independent person or firm qualified to manage the Property and affairs of the Condominium under the supervision of the Board. The compensation paid to any such manager or managing agent shall be in the amount established from time to time by the Board.

## ARTICLE X

### OFFICERS

10.01. Election. The executive officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. The officers shall be elected annually by the Board of Directors. Any two or more offices may be held by the same person except the President shall not also be the Secretary.

10.02. Term. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified, provided that any officer may succeed himself.

10.03. Special Appointments. The Board may appoint such other Officers as the affairs for the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.



10.04. Resignation and Removal. Any officer may be removed from office either with or without cause by the vote of a majority of the Directors present at any meeting. Any Officer may resign at any time by giving written notice to the Board. Such resignation shall take effect of the date of receipt 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.

10.05. Vacancies. A vacancy in any office shall be filled by a majority vote of the Directors at any meeting. An Officer elected to fill a vacancy shall hold office for term equal to the unexpired term of the Officer he succeeds.

10.06. Compensation. An Officer shall not receive any compensation for any service he may render to the Association as an Officer; provided, however, that any Officer may be reimbursed for actual out-of-pocket expenses incurred by him in the performance of his duties.

10.07. Duties of the President. The President, who shall be a Director, is the Chief Executive Officer of the Association, and shall have all of the powers and duties that are usually vested in the office of the President of a condominium association, including but not limited to the following powers, to-wit:

- (1) To preside over all meetings of the Members and of the Board.
- (2) To sign as President all deeds, contracts, and other instruments that have been approved by the Board.
- (3) To call meeting of the Board whenever he deems it necessary in accordance with the rules.
- (4) To have the general supervision, direction and control of the affairs of the

Association.

(5) To, along with the Secretary, prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

10.08. Duties of the Vice-President. The Vice-President, who shall be a Director, shall have all of the powers and duties that are usually vested in the office of Vice-President of a condominium association, including but not limited to the following powers, to-wit:

(1) To perform the duties and exercise the powers of the President, in the absence or disability of the President.

(2) To assist the President in the exercise of his powers and the performance of his duties.

10.09. Duties of the Secretary. The Secretary, who shall be a Director, shall have all the powers and duties that are usually vested in the Secretary of a condominium association, including but not limited to the following powers, to-wit:

(1) To keep a record of all meetings and proceedings of the Board and of the Members.

(2) To keep the seal of the Association, if any, and affix it on all papers requiring said seal.

(3) To prepare and serve such notices of meetings to the Board and the Members required either by law or by these By-Laws.

(4) To keep current records showing the Members of the Association together with their addresses.

(5) To sign as Secretary all deeds, contracts, and other instruments which have been duly approved by the Board, if said instrument requires a second Association signature.

(6) To, along with the President, prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

10.10. Duties of the Treasurer. The Treasurer shall be the financial officer of the Association, and shall have all powers and duties that are usually vested the treasurer of a condominium association, including but not limited to the following powers, to-wit:

(1) To receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association.

(2) To be responsible for and supervise the maintenance of books and records to account for such finds and other Association assets.

(3) To disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures.

(4) To prepare and distribute the financial statements for the Association.

(5) To prepare a record of all receipts and expenditures.

(6) To prepare an account for each unit, setting forth any shares of Common Expenses or other charges due, the dues thereof, the present balance due and any interest in Common Surplus.

## ARTICLE XI

### FISCAL MANAGEMENT

11.01. Fiscal Year. The fiscal year of the Association shall be such as shall from time to

time be established by the Association.

11.02. Annual Budget. The Board of Directors shall adopt a budget for each fiscal year in accordance with the Act. The annual budget of the Association shall be detailed and shall show the amounts budgeted by accounts and expense classifications. Expenses shall be estimated for each category and item of the Common Expenses. The budget shall also include reserve accounts for capital expenditures, deferred maintenance, reserves, and contingencies. The amount reserved shall be computed by means of a formula that is based on the estimated life and estimated replacement cost of each reserve item. The budget shall also set forth each Unit Owner's proposed Assessment for Common Expenses. Copies of the budget and proposed assessments shall be transmitted to each Member in accordance with the Act.

11.03. Adoption of the Annual Budget. The Board of Directors shall prepare or cause to be prepared a proposed annual budget for each fiscal year of the Association. Within thirty (30) days after adoption of any proposed budget for the condominium, the Board shall provide a copy of the budget to all Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) days nor more than thirty (30) days after delivery or mailing of the proposed budget to the Unit Owners. Unless at that meeting a majority of all the Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board. The Board shall furnish copies of the final annual budget to each Unit Owner within thirty (30) days after the adoption.

11.04. Assessment. Assessments for Common Expenses shall be made in accordance with the Declaration, the Act and these By-Laws. Assessments shall be collected by the Association on a monthly basis on or before the first day of each month of the fiscal year for which the Assessments are made, and each Unit Owner shall pay one-twelfth (1/12th) of his share of the Common Expenses for such year as shown by the annual budget. The assessments of the Common Expenses shall be as set forth in the Declaration, but the yearly assessment for Common Expenses each Unit Owner shall be in proportion to his respective ownership interests in the Common Elements. The Board of Directors may cause to be sent to each Unit Owner, on or before the first day of each month, a statement of the monthly Assessment; however, the failure to send or receive such monthly statement shall not relieve the Unit Owner of his obligation to make timely payment of the monthly Assessment. If the Board shall not approve an annual budget or shall fail to determine new monthly Assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay the amount of his monthly Assessment as last determined. No Unit Owner shall be relieved of his obligation to pay his Assessment by abandonment of his Unit or lack of use of the common or Limited Common Elements. The collection for assessments shall begin at such time as the First unit is conveyed by the Developer.

11.05. Reserves for Replacements. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Elements and those Limited Common Elements which the Association may be obliged to maintain. The fund shall be maintained out of regular assessments.

11.06. Depository. The depository of the Association shall be such bank or banks and/or savings and loan associations as shall be designated from time to time by the Directors and in which monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Directors.

11.07. Lien for Expenses. If any Unit Owner shall fail or refuse to make any payment of the Common Expenses or other assessment or fine imposed against him when due, the amount due, together with costs, reasonable attorney's fees, and interest thereon at the maximum percentage rate as may then be permitted under the laws of the State of Alabama, from and after the date said Common Expenses or other assessments or fines become due and payable in accordance with applicable law, shall constitute a lien on the interest of the Unit Owner in the Condominium Property.

11.08. Priority of Lien. Any lien of the Owners Association shall be subject to the rules of priority as stated in the Declaration and other applicable state laws.

11.09. Acceleration of Assessment Installments. In accordance with the provisions of the Act, if an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

11.10. Default.

(1) In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required moneys in the same fashion as mortgage liens on real estate are foreclosed; provided that thirty

(30) days prior notice of the intention to foreclose shall be mailed, postage prepaid, to the Unit Owner and to all persons having a mortgage lien or other interest of record. The Association shall be entitled to the appointment of a Receiver, if it so requests. The Association shall have the right to bid in the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgment, brought by or on behalf of the Association against a Unit Owner, and the losing defendant shall pay the cost thereof, together with a reasonable attorney's fee.

(2) If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses, real estate brokerage fees, abstract or title insurance costs, and expenses necessary for the repairing and refurbishing of the unit in question. All moneys remaining after deducting the foregoing items of expenses shall be returned to the former owner of the unit in question.

11.11. Supplemental Assessments. If during the course of any fiscal year, it shall appear to the Board that the monthly Assessments, as determined in the annual budget, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency. Copies of the supplemental budget shall be delivered to each Unit Owner, and thereupon a supplemental Assessment shall be made to each Unit Owner for his proportionate share of the supplemental budget.

11.12. Annual Statement. Within Sixty (60) days after the end of each fiscal year, the Board shall cause to be furnished to each Unit Owner, a statement for the year so ended showing the receipts and expenditures of the Association, and such other information as the Board may deem desirable. If the condominium consists of fifty (50) or more units, the Association shall make an audited statement for the preceding fiscal year (if the project has been established for a full fiscal year) available to the holder, insurer, or guarantor of any first mortgage that is secured by a unit in the condominium on submission of a written request for it. Said audited financial statement shall be available within 120 days of the owners' association fiscal year end. If the condominium consists of fewer than fifty (50) units and there is no audited statement available, the project documents must allow any mortgage holder to have an audited statement prepared at its own expenses.

11.13. Accounting Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirements of the Act. The Board shall cause to be kept, in accordance with generally accepted accounting principles, a record of all receipts and expenditures; and a separate account for each Unit showing the Assessments or other charges due, the due dates thereof, the present balance due, and any interest in common surplus. Such records shall be open to inspection by Unit Owners and his authorized agents at reasonable times.

11.14. Information. The Association shall be required to make available to Unit Owners, lenders, and to holder, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, or other Rules and Regulations concerning the Project, and the books,



records, financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. In addition to the above, holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

11.15. Fidelity Bonds. Fidelity bonds shall be required by the Board from all officers and employees of the Association and from any manager handling or responsible for Association funds and from any employee, agent or subcontractor of a manager handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of one hundred and fifty percent (150%) of the total annual Assessments against Members for recurring expenses. The premiums on such bonds shall be paid by the Association.

11.16. Lender's Notices. Upon written request to the Owners Association, identifying the name and address of the holder, insurer or guarantor and the unit number of address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Project of the Unit securing its mortgage.
- (b) Any 60-day delinquency in the payment of assessments or charges owned by the owner of any Unit on which it holds the mortgage.
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owner's Association.
- (d) Any proposed action that requires the consent of a specified percentage of

mortgage holders.

## ARTICLE XII

### OWNER OBLIGATIONS AND COVENANTS

12.01. Assessment. Every owner of any Unit in the Condominium shall contribute pro rata toward the expense of administration, maintenance, alteration, repair and improvement of the Condominium, as provided in the Articles, the Declaration or these By-Laws. Each assessment against a Unit shall also be the personal obligation of the Owner at the time the assessment fell due. Such personal obligation shall not pass to successors in title unless assumed by such successors, or required by applicable law.

12.02. Maintenance and Repair. Every owner of any unit in the Condominium shall promptly perform all maintenance and repair work, as provided in the Article, the Declaration or these By-laws. An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas or facilities damaged through the owner's fault.

12.03. Use. The Condominium Property shall be utilized in accordance with the provisions of the Declaration, these By-Laws, and the Rules and Regulations of the Association.

## ARTICLE XIII

### RULES AND REGULATIONS

13.01. Rules and Regulations. The Board of Directors may from time to time adopt, modify, amend, or add to rules and regulations concerning the use of the Condominium Property; provided, however, that a majority of the Members may overrule the Board with respect to any such rules and regulations or modifications thereof or any amendments or additions thereof.

Copies of such rules and regulations, or any amendments, additions, or modifications, shall be delivered to each Unit Owner not less than fourteen (14) days prior to the effective date thereof. No rule or regulation that is in conflict with the Condominium Documents shall be adopted.

#### ARTICLE XIV

##### AMENDMENTS TO THE BY-LAWS

14.01. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

14.02. Adoption. Except in the cases where this document may be amended by Developer/Declarant under the terms hereof or the Act, By-Laws maybe altered, amended or appealed or new By-Laws maybe adopted by the affirmative vote or agreement of Unit Owners or Units to which at least sixty seven percent (67%) of the votes in the Association are allocated. In addition, amendments of a material nature (as defined below) must be agreed to by eligible mortgage holders (as defined below) who represent at least 51% of the votes of unit estates that are subject to mortgages held by eligible holders. Eligible mortgage holders are those holders of a first mortgage on a unit estate who have submitted a written request that the Owners' Association notify them on any proposed action requiring the consent of a specific percentage of eligible mortgage holders.

Amendments of a material nature include a change to any of the provisions governing the following, to-wit:

1. voting rights;

2. increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
3. reductions in reserves for maintenance, repair, and replacement of common elements.
4. responsibility for maintenance and repairs;
5. reallocation of interests in the general or limited common elements, or rights to their use;
6. redefinition of any unit boundaries;
7. convertibility of units into common elements or vice versa;
8. expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;
9. hazard or fidelity insurance requirements;
10. imposition of any restrictions on the leasing of units;
11. imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
12. a decision by the owners' association of a project that consists of 50 or more units to establish self-management if professional management had been required previously by the project documents or by an eligible mortgage holder;
13. restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in the documents; or
14. any provisions that expressly benefit mortgage holders, insurers, or guarantors.

Implied consent and approval may be assumed when an eligible mortgage holder fails to submit a

response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

14.03. Prohibited Amendments. No amendment may be adopted that would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges, or priorities granted to the Developer without the consent of the Developer. No amendment that is in conflict with the Articles, the Declaration, or the Act shall be adopted.

14.04. Recording. Any amendment shall become effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama, in accordance with the Act.

## ARTICLE XV

### MISCELLANEOUS

15.01. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of gender shall be deemed to include all genders.

15.02. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-laws or the intent of any provision hereof.

15.03. Parliamentary Rules. Roberts's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Act, the Declaration, or these By-laws.

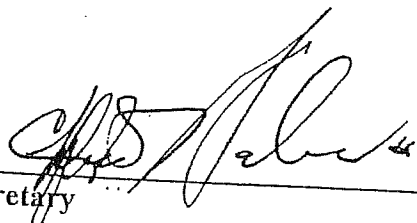
15.04. Conflicts. In the event of any conflict between the provisions of these By-laws

and the Declaration, the Declaration shall govern, except to the extent the Declaration is inconsistent with the Act.

15.05. Compliance. These By-Laws are set forth to comply with the requirements of the Alabama Nonprofit Corporation Act and the Alabama Uniform Condominium Act of 1991 and shall be considered an appendage to the Declaration filed prior hereto in accordance with said Acts. In case any of these By-Laws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the Acts will apply.

I certify that the above first set of By-Laws of ROYAL PALMS OWNERS ASSOCIATION, INC., were adopted by the Board of Directors in accordance with the provisions of applicable law.

Done this 9 day of Dec, 19 99.

  
Secretary

**THIS INSTRUMENT PREPARED BY:**

Timothy D. Garner  
Attorney at Law  
Post Office Box 3304  
Gulf Shores, AL 36547  
(334) 968-5540

EXHIBIT E

RULES AND REGULATIONS CONCERNING USE

OF

ROYAL PALMS, A CONDOMINIUM

The ROYAL PALMS CONDOMINIUM OWNERS ASSOCIATION, INC., ("Association"), acting through its Board of Directors ("Board"), has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board.

As used in these Regulations the term "Unit Owners" shall apply to the Owner of any Unit, to his family, tenants whether or not in residence, servants, employees, agents, visitors and to any guests, invitees or licensees of that Unit Owner, his family or tenant of that Unit Owner.

As used in these Regulations the term "Association" shall include the Association and the Managing Agent when the Managing Agent is acting on behalf of the Association.

1. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or the Board.
2. All Owners of any Unit are to inform non-owners upon the Condominium Property of these Rules and Regulations.
3. Unit Owners are reminded that alteration and repair of the common elements are the repair of the common elements are the responsibility of the Association, except for those matters

which are stated in the Declaration to be the responsibility of an Unit Owner. No work of any kind is to be done upon or affecting those portions of exterior building walls or interior boundary walls which are the responsibility of the Association without first obtaining the approval required by the Declaration of Condominium. No Owner may install any plumbing, wiring or air conditioning equipment without the prior written approval of the Board.

4. The sidewalks, entrances, passages, public halls, elevators, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Building.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the Common Areas, except those areas specifically designated by the Association. Nothing shall be hung or shaken from any doors, windows, roofs, balconies, terraces or patios or placed upon the window sills of the Building.

6. Neither occupants nor their guests shall play or lounge in the entrances, passages, public halls, elevators, corridors, stairways or fire towers of the Building.

7. Except as otherwise provided in the By-Laws, no public hall or public elevator of the Building shall be decorated or furnished by any Unit Owner in any manner.

8. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

9. No window guards or other window decorations shall be used in or about any Unit except such as shall have been approved in writing by the Board.



10. Nothing shall be done in any Unit or on the Common Elements that may impair the structural integrity of the Building or that may change the Building structurally nor shall anything be altered or constructed on or removed from the common elements, except upon the prior written consent of the Board.

11. No radio or television aerial shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building except such as are permitted pursuant to the Declaration or the By-Laws and shall have been approved in writing by the Board; nor shall anything be projected from any window of a Unit without similar approval.

12. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Board.

13. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements of recommendations of the local fire department and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in such Unit Owner's Unit.

14. No bicycles, scooters or similar vehicles shall be taken into or from the building through the main entrance or be allowed in any of the elevators other than the elevator designed by the Board for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the common halls, passageways or other common areas of the Building.

15. Any Owner may identify his Unit with a name plate of a type and size approved by

the Association and mounted in a place and manner approved by the Association. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners or tenants. No Unit Owner shall play upon or cause to be played upon any musical instrument, or operate or permit to be operated a phonograph, radio, television set, loud speaker, or other sound amplification device in such Unit Owner's Unit between 10 p.m. and the following 9 a.m., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or cause to be practiced either vocal or instrumental music between the hours of 10 p.m. and the following 9 a.m. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8 a.m. and 5 p.m., unless such construction or repair work is necessitated by any emergency. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units or any terrace or deck appurtenant thereto.

17. All service and delivery persons will be required to use the entrance designated by the Board.

18. Water closets and other water apparatus in the Building shall not be used for any purpose other than those for which they are designed, nor shall any sweepings, rubbish, rages or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

19. The agents of the Board and any contractor or workman authorized by the Board may

enter any room or Unit at any reasonable hour of the day for the purpose of inspecting such measures as may be necessary to control or exterminate in a reasonable manner so as not to reasonably interfere with the use of such Unit for its permitted purposes.

20. The Board may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit any entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board, then the Board or its agents (but, except in any emergency, only when specifically authorized by an officer of the Condominium) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to such Unit Owner's property).

21. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

22. Unless otherwise authorized by the Association, the parking areas may not be used for any purpose other than parking automobiles. No buses, trucks, trailers, boats, recreational or commercial vehicles shall be parked in the parking areas or in driveways except in those areas, if any, designated specifically for such parking by the Board. All vehicles must have current license plates and be in good operating condition. No vehicles shall be parked on the Condominium with conspicuous "For Sale" signs attached.

23. All Unit Owners shall observe and abide by all parking and traffic regulations as

posted by the Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

24. The Board may from time to time curtail or relocate any portion of the Common Elements devoted to storage, recreation or service purposes in the Building.

25. Complaints regarding the service of the Condominium shall be made in writing to the Board.

26. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.

27. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licenses shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

28. No Unit Owner or any of his agents, servants, employees, licenses or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. Employees and agents of the Association are not authorized to accept packages, keys, money (except for condominium assessments) or articles of any description from or for the benefit of a Unit Owner. If packages, keys (whether for a Unit or an automobile), money or articles of any description are left with the employees or agents of the Association, the Unit Owner assumes the sole risk therefor and the Unit Owner, not the Association, shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or

connected therewith. The Association does not assume any responsibility for loss or damage in such cases. Deliveries requiring entrance to a Unit Owner's Unit will not be accepted without the prior written permission of the Unit Owner accompanied by a written waiver of all liability in connection with such deliveries.

30. If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Association, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and the Board shall not be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

31. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner or occupant shall permit anything to be done or kept in the Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

32. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit without the consent of the Board.

33. No Unit Owner shall install any plantings on any terrace, patio or roof except with the permission of the Board.

34. All occupants of Units and Unit Owners must comply with the requirements of the Alabama Uniform Condominium Act of 1991, Articles of Incorporation of the Association, By-

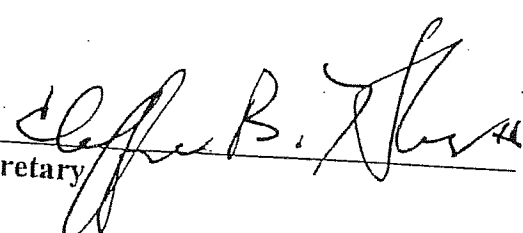
Laws of the Association, the Declaration, and these Rules and Regulations.

35. The Association regulates the presence of pets on the condominium property. Owner's pets are permitted under such restrictions and conditions as the Board shall impose from time to time. Persons other than Unit Owners may not bring pets upon the condominium property.

36. All persons shall be properly attired when appearing in any of the following portions of the property public halls, community buildings and any other public spaces of the condominium.

37. Rules of behavior regarding the swimming pool, and other recreational and storage areas shall be promulgated by the Board of Directors of the Association and all Unit Owners shall comply with such Rules.

I certify that the above set out Rules and Regulations were adopted by the **ROYAL PALMS CONDOMINIUM OWNERS ASSOCIATION, INC.**, acting through its Board of Directors, at its regular meeting held on the 9 day of Dec, 1999.

  
Secretary

# EXHIBIT F

## OWNERSHIP OF COMMON ELEMENTS

Number Residential Units	Ownership Factor Each Unit	Total Square Foot Unit Type	Total Ownership Factor Per Unit Type
24 "A" 2 BR/2 Bath Unit (942sf)	0.012168	22,608	0.292032
35 "B" 1BR/2Bath Unit (676sf)	0.008732	23,660	0.305620
24 "C" 1BR/2Bath Unit (676sf)	0.008732	16,224	0.209568
13 "D" 2BR/2Bath Unit (973sf)	0.012568	12,649	0.163384
1 "E" 2BR/2.5Bath Unit (1384sf)	0.017877	1,384	0.017877
1 "F" 1BR/2Bath Unit (676sf)	0.008732	676	0.008732
<u>Com/Office Unit (215sf)</u>	<u>0.002787</u>	<u>216</u>	<u>0.002787</u>
98 RESIDENTIAL UNITS		77,417	
1 COMMERCIAL UNIT			

1.000000

EXHIBIT G

ROYAL PALMS CONDOMINIUM OWNERS ASSOCIATION, INC.

1999 - 2000 PROJECTED OPERATING BUDGET  
(Assumes 100% Occupancy)

PROJECTED FIRST YEAR EXPENSES:

ADMINISTRATIVE:

Insurance	\$ 45,000.00
Management Fee	9,500.00
Office Supplies	240.00
Postage	300.00
Stationary and Printing	300.00
Professional Fees	3,600.00

PAYROLL EXPENSE:

Building Maintenance Payroll	12,000.00
Grounds Maintenance Payroll	16,000.00

MAINTENANCE EXPENSES:

Common Area Maintenance	4,400.00
Elevator Maintenance	7,200.00
Exterminator	4,000.00
Waste Collection	6,900.00
Repairs & Maintenance	6,000.00
Reserve & Contingency	9,000.00
Supplies - Grounds Maintenance	3,000.00
Supplies - Pool Maintenance	3,000.00
*Alarm/Fire Maintenance	
*Diesel Generator Maintenance	



## EXHIBIT G - CONTINUED

### UTILITY EXPENSE:

Cable Television	9,500.00
Elevator Telephones	360.00
Baldwin County EMC (Electric)	14,000.00
Water	28,000.00
Sewer System	30,000.00
Gas Heated Pool	4,200.00

**TOTAL EXPENSES** **\$216,500.00**

\* Included in repairs & maintenance

### PROJECTED MONTHLY PROPORTIONATE SHARE OF EXPENSES:

These figures are calculated based on the fractional percentages of common ownership of each unit as set out in the Declaration. The estimated Common Expense has been made by the Developer and is believed to be reasonably accurate as of the time it was made; however, no warranty or guarantee is intended.

Unit A: \$219.49  
Unit B: \$157.51  
Unit C: \$157.51  
Unit D: \$226.71  
Unit E: \$322.47  
Unit F: \$157.51  
Commercial Office: \$50.33

## EXHIBIT H

### BEACH AND DUNE ENHANCEMENT PLAN

No dune system exists south of the Coastal Construction Setback Line (CCL).

An area south of the BUILDING will be filled. This area will be planted with suitable vegetation. For two years after construction, the planted vegetation will be monitored and replanting will occur if the survival rate falls below 75%. One dune walkover will be constructed from the Pool Deck to provide pedestrian access to the beach and minimize pedestrian traffic in the vegetated area. In addition, signs will be posted promoting the use of the walkover and discouraging pedestrian traffic over the vegetated areas. Sand fences will be constructed at appropriate locations to provide for dune enhancement and preservation.

This dune system will be continually monitored during project construction by the developer and afterward by the Homeowners Association. Any damage to the dune will be repaired by the ASSOCIATION to maintain its integrity. Annual maintenance and monitoring reports will be provided to ADEM.

The following actions and specifications will be used to accomplish the above DUNE ENHANCEMENT PLAN, to-wit:

1. Construction Fence: A construction fence shall be placed along the coastal Construction Setback Line throughout the duration of the project construction.
2. One dune walkover will be constructed approximately 50 feet in length as a

pedestrian access to the beach.

3. Sand Fence: A sand fence, a minimum of 30" in height, shall be placed along the dune line and at selected locations. The sand fence is to remain in place permanently.

4. Plantings: The sparsely vegetated areas shall be planted with native vegetation such as sea oats or with suitable resistant beach grasses native to the area. Plants are to be spaced not more than 18" on center.

### MAINTENANCE PLAN

1. Fertilization of the new and existing plants shall be performed on a regular and continual basis.

2. Irrigation of the new and existing plantings shall be performed on a regular and continual basis.

3. Inspection of the Dune/Beach area shall be performed on a weekly basis, particularly after a storm event.

4. Damaged areas shall be immediately corrected.

5. Inspection of the sand fence and construction fences shall be performed during construction. The sand fence shall remain and be inspected after the construction fence is removed.

**NOTE:** The Maintenance Plan will be provided in conjunction with the "Building Maintenance Plan" presented to the Developer and the Homeowner's Association by the project Architect.