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**DECLARATION OF RIGHTS, EASEMENTS, COVENANTS, CONDITIONS,
AFFIRMATIVE OBLIGATIONS AND RESTRICTIONS APPLICABLE TO
LOTS 1 THROUGH 58 INCLUSIVE OF
ANNABELLE JUNCTION SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS, that Sanderson Realty, Inc, an Alabama corporation, hereinafter called Declarant or Developer, does hereby make, publish and declare as follows:

Declarant, as owner of all of the real property lying, being and situated in that certain subdivision known as Lots 1 through 58 inclusive of Annabelle Junction Subdivision, according to the plat and survey thereof, as laid down on a map or maps prepared by Volkert & Associates, Inc., said map or maps having been recorded in the Office of the Judge of Probate of Baldwin County, Alabama, ~~Map Book Slide~~, pages 2255 and B&C, and any additions thereto and by reference incorporated herein and made a part hereof, does hereby covenant and agree with each and every future owner of any part of said property on the condition that each and every future owner shall by virtue of becoming an owner, accept and agree with Declarant and with each and every other owner or future owner of such property, that the following covenants, restrictions, conditions, affirmative obligations, restrictions, easements and limitations shall apply to said lots, constitute covenants running with the land for the purpose of protecting the value and desirability of said land, and shall be binding upon the Declarant and on such future owners of each and every part of parcel of said subdivision, and upon their respective successors, assigns, heirs and personal representatives, and shall inure to the benefit of each owner thereof. Lot 59 as laid down on the recorded maps of Annabelle Junction Subdivision is explicitly excluded from this Declaration.

**ARTICLE ONE
DEFINITIONS**

(1) "Association" shall mean and refer to Annabelle Junction Property Owners Association, Inc., its successors and assigns.

(2) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

(3) "Properties" shall mean and refer to lots 1 through 58, inclusive, of Annabelle Junction Subdivision, a subdivision recorded in the Office of the Judge of Probate of Baldwin County, Alabama on ~~Map Book Slide~~ page 2255 and B&C and such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

(4) "Common Areas" shall mean all real property (including improvements thereto) owned by the Association for the common use and enjoyment of

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the owners.

(5) "Lot" shall mean and refer to plot of land upon any recorded subdivision map of the Properties with the exception of the Common Areas.

(6) "Board of Directors" shall mean and refer to the Board of directors of Annabelle Junction Property Owners Association, Inc.

(7) "Declarant" or "Developer" shall mean and refer to Sanderson Realty, Inc., its successors and assigns.

ARTICLE TWO PROPERTY SUBJECT TO DECLARATION & ADDITIONS THERETO

(1) Existing Property - The real property which is, and shall be, held, transferred, sold, conveyed, leased, and occupied, subject to this Declaration, is located in Summerdale, Baldwin County, Alabama, and is commonly known as Lots 1 through 58, inclusive, of Annabelle Junction Subdivision. Lot 59 is excluded property.

(2) Additions to Existing Property - Lands in addition to the Existing Property described above may hereafter become subject to this Declaration in the following manner:

(a) Additions in accordance with a general plan of development - The Declarant, its successors and assigns, shall have the right, without the further consent of the Association, to bring within the scheme and operation of this Declaration, additional property, provided, however, that such additions shall be limited to lands which are contiguous to those above described, and which additional lands are to be developed as part of the general plan of development known as Lots 1 through 58, inclusive, Annabelle Junction Subdivision, subject to the covenants and restrictions herein set forth. Such additional properties shall be deemed to be "contiguous" even though separated from the existing property above specifically described, by streets, roads, highways, rivers, streams, rights-of-way, utilities, or other intervening physical features or property interests not inconsistent with the general contiguity of the lands in question. Such additions shall be developed in a manner consistent with a general plan of development of the existing property and additional lands owned by Declarant which was prepared prior to the sale of lots and made known to purchasers. The Declarant does reserve, in its sole discretion, the right to alter the general plan of development or make additions thereto as it may see fit.

The general plan of development shall show the Existing Property, and contain (1) a general indication of the size, location and proposed land use of each development stage; (2) the approximate size and location of Common Properties proposed; (3) the general nature of any proposed common facilities and improvements; (4) an approximate schedule, based upon the Declarant's projections, indicating the estimated times the Declarant plans to complete the various stages of the development. Unless otherwise stated herein, the general plan of development shall not bind the Declarant, its

successors and assigns, to adhere to the plan in any subsequent development of the land shown thereon. It also shall be understood that the Declarant shall be free to develop such portions or sections of the lands depicted in the general plan of development as, in the reasonable exercise of its discretion, it deems in the best interest of the entire development, without regard to the relative location of such portions or sections within the overall plan; that the Declarant shall not be required to follow any predetermined sequence or order of improvement and development; and that it may bring within the scheme of this Declaration additional lands, and develop the same before completing the development of any addition which has already been placed of record in the Office of the Judge of Probate, Baldwin County, Alabama.

The additions authorized under this and the succeeding subsection(s), shall be made by filing of record in the Office of the Judge of Probate, Baldwin County, Alabama, an Incremental Amendment to Declaration of Covenants and Restrictions with respect to such additional property which shall extend the operation and effect of this Declaration to such additional property.

The Incremental Amendment may contain such complementary additions of property and /or modifications of the Covenants, Restrictions, Easements, Rights contained in this Declaration as may be necessary or convenient, in the Judgment of the Declarant, to reflect and adapt to any difference in character of the added properties, and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Incremental Amendment revoke, modify, or add to the covenants established by this Declaration so as to affect the Existing Property, except as set out in this Declaration.

ARTICLE THREE PROPERTY OWNERS' ASSOCIATION

A. DECLARANT'S TRANSFER OF RIGHTS

The Declarant shall transfer any right and powers outlined in the Annabelle Junction Property Owners Association, Inc., Articles of Incorporation and By-laws when the Declarant no longer owns any lot in Annabelle Junction Subdivision or on December 31, 2026 whichever first occurs.

B. MEMBERSHIP OF ASSOCIATION

Membership in the Association shall be a condition of lot ownership and can not be severed from the lot purchased within the properties. The lot owner, as a member to the Association is subject to the rules, regulations and conditions which have been or will be established by the Association. Members of the Association shall be legally recognized owners of a lot.

C. VOTING RIGHTS:

Each lot shall be entitled to only one vote irregardless of the number of designated legal owners of any lot. When more than one person or entity maintains legal

ownership of a lot the multiple owners shall designated one legally recognized owner or their proxy to vote.

ARTICLE FOUR BUILDING COMMITTEE

There is hereby established a Building Committee consisting of an initial committee of not more than three members as designated by the Declarant. From time to time the Association may change the number of the individuals serving on the building committee but in no event shall said number exceed five, nor shall ever be an even number. They shall serve for terms according to the recorded Articles of Incorporation. There shall be no erection of any building on lots 1 through 58, inclusive of Annabelle Junction Subdivision without prior written approval of the building committee.

ARTICLE FIVE

A. FOUNDATIONS

All site constructed houses, prefabricated, sectional or modular factory constructed units assembled at the site, must be placed on a permanent foundation.

B. TOOL SHEDS AND OTHER ACCESSORY BUILDINGS

All tool sheds and other accessory buildings must be built of permanent materials. The outside must be compatible with the neighborhood. The design must be such as to enhance the surrounding property. If in the sole discretion of the Building Committee, the accessory building does not enhance the beauty of the subdivision, it must be removed on order. The maximum area of a storage building erected on any lot shall be one hundred forty-four (144) square feet and no storage building may exceed one story in height.

C. CULVERTS

Culverts shall be placed in manner as not to obstruct the natural flow of water in the ditches. Culverts shall be a minimum of twelve inches in diameter and twenty feet long. Final grading of site of culverts must be inspected and approved by the building committee prior to back filling. The Building Committee shall have the right to repair or remove any culvert which obstructs the natural flow of water and the member shall be billed for the removal or repair. No ditches may be regraded or filled without the express written permission of the Building Committee.

D. TREE REMOVAL

Prior to cutting or removing any tree larger than four inches in diameter, twelve inches above natural grade, the member must obtain approval from the building committee. The building committee shall cause the tree to be marked for removal after such approval is given. If any tree is removed without first obtaining approval, the

building committee may assess the member with a fine or charge.

E. DRIVEWAYS AND UTILITIES

Driveways shall be constructed with an acceptable surface material, such as concrete or asphalt, and shall be maintained by the lot owner free of pot holes or wash-outs. Due to the existence of underground utilities, lot owners agree not to dig on their lot without first obtaining permission from the Declarant or the various utility companies involved.

F. SIDEWALKS

All lots must have sidewalks installed in compliance with the plats of Annabelle Junction Subdivision compiled by Volkert and Associates and recorded in the Probate Office of Baldwin County, Alabama, before a Certificate of Occupancy will be issued by the Town of Summerdale. The Purchaser of a lot from the Declarant shall be obligated to install and pay the cost of installing the sidewalks at the time a house is built or within twelve months from the date of purchase, whichever first occurs.

ARTICLE SIX

1. The following restrictions shall apply for Lots 1 through 58, inclusive of Annabelle Junction Subdivision, Baldwin County, Alabama. The Declarant means Sanderson Realty, Inc., and its successors and assigns. The Purchaser means all Purchasers, their heirs, successors and assigns.

a. Lots may be used only for the purposes as set forth in the recorded plats and shall be subject to recorded restrictions applicable to the lots on said plats except that Declarant reserves the right to erect and use such structures as may be necessary for Association purposes on any lot. Other than the Declarant's promotional efforts to market and sell the lots, no commercial activity or business will be allowed on any lot.

b. No Purchaser may subdivide a recorded lot.

c. All building plans, and improvements, including but not limited to, storage buildings, fences, carports, porches and decks, type of materials and location on the lot must be approved by the Building Committee and must comply with any existing local building codes, recorded restrictions, or regulations in force or promulgated by the Association at the time of construction.

d. No waste, refuse or litter shall be permitted to remain on any lot in Lots 1 through 58, inclusive of Annabelle Junction Subdivision. No outside toilets are allowed except a written permit may be issued by the appropriate authorities for temporary basis during construction if necessary.

e. No open burning of any kind is allowed except as may be permitted

in accordance with environmental and health regulations and State of Alabama, Town of Summerdale and the Fire Department of the Town of Summerdale.

f. For the purpose of this instrument, and subject to the approval of the Planning Commission, if required, any Owner having two or more adjoining lots may combine such lots. All expense at obtaining such approval shall be borne by the Owner requesting such approval. Thereafter, the combined lots shall be deemed a single lot for all purposes hereunder.

g. All lots and ditches between lot and the road must be maintained by the lot owner in a tidy and satisfactory manner and should said property not be properly maintained, the Association may provide such maintenance as it deems necessary and owners agree that cost for same shall be paid by owner upon billing by the Association. Installation of all culverts must be approved by the Association. No trees larger than four inches in diameter, twelve inches above the ground may be removed without permission unless they hinder the construction of an approved building or other approved improvement on the lot. All open areas shall be seeded so as to prevent erosion. The Association is granted the right to enter upon any lot to perform work on the same for the purpose of improving its general appearance, if, in its sole judgment, it deems the appearance of the lot to be substandard and all costs for said maintenance shall be assessed to the individual lot owner. Grass must be cut at least once a month or at a maximum growth of twelve inches (12) in height.

h. No discharge of firearms or hunting is permitted within the subdivision, nor shall anyone make use of any lot in violation of any laws, ordinances or regulation of any governmental body or governmental agency.

i. No Purchaser shall allow his lot to be used in such a manner as will increase the insurance rate of any other lot owner or the common properties of the Association. In no event shall this provision prevent an owner of a lot from renting, leasing or allowing guests to use his lot subject to all existing and future rules and regulations of the Association.

j. The Declarant shall convey the common areas to the Association in fee simple for the use, enjoyment and convenience of all members of the Association. Each lot in Lots 1 through 58, inclusive of Annabelle Junction Subdivision, is hereby declared to have, subject to the provisions of this declaration, a non-exclusive easement over all of the common areas for the benefit of such lot in the subdivision, the Purchaser of such lot and each of them, and for their respective families, guests, invitees, tenants and contract Purchasers, for recreational and other appropriate intended purposes and uses and without limiting the generality of the foregoing, for ingress and egress over and through the common area. No one shall block or obstruct the common way of ingress and egress to the common area. Except as otherwise provided for herein, the common areas may be alienated, released, transferred, hypothecated or otherwise encumbered only with the written approval of all owners and each holder of a first mortgage on any lot in the subdivision.

k. Each lot in Lots 1 through 58, inclusive of Annabelle Junction Subdivision, is hereby declared to have an easement over each lot and the common areas for the purpose of accommodating public utilities. There shall be valid easements for the maintenance of said public utilities so long as they exist.

l. There is hereby reserved to the Association, or their duly authorized agent, representatives and managers, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this declaration and in the Articles of Incorporation, and By-laws of the Association.

m. Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the common areas described herein or added hereafter.

n. Declarant reserves for itself, its licenses, its successors and assigns, perpetual easements ten (10) feet along both sides of all road right of ways or five (5) feet along the side lines and ten (10) feet along the rear lines of each lot. Declarant reserves the right of ingress and egress over such easements for the purpose of installing, operating and maintaining all types of utilities, drainage ditches, and appurtenances thereto, and the right to trim or remove any trees or shrubs necessary for the above purpose. Except, where a lot owner of two or more adjoining lots constructs a building which will cross over or through a common lot line, said consolidated lot shall not be subject to the aforementioned ten (10) foot easements along the line common to both lots, except in cases where adjoining lots are back to back, provided that such building shall be placed thereon prior to the use of this easement for one of the foregoing purposes. No lot owner shall have any cause of action against the Declarant, its licensees, successors or assigns, at law or in equity arising out of the use of said easement by Declarant or its designees except for gross negligence.

o. Each of these easements provided for in this declaration shall be deemed to be established upon the recordation of this declaration, and shall henceforth be deemed to be covenants running with the land for the use and benefit of the lot, and the subdivision as the case may be, superior to all other encumbrances applied against or in favor of any portion of the properties which is the subject to this declaration.

p. No drilling, refining, quarrying, storage or mining operation of any kind shall be permitted on any lot with the exception of a water well.

ARTICLE SEVEN

1. BUILDINGS

(a) No house or other building or structure shall be erected, altered, placed, or permitted on any lot until the construction plans and specifications have been approved by (i) the Developer, or, (ii) upon termination of the period of Developer control of the

Association, by the Association, provided, however, that in either such case the Developer or the Association, as the case may be, may waive such requirements at any time and from time to time in general or on a case by case basis, provided that such waiver is in writing and signed by a Manager of the Developer, or, in the case of the Association, by the President or other officer or director authorized by the Board of Directors.

(b) No house or other building or structure shall be erected, altered, placed, or permitted to remain on any lot other than one dwelling and no more than one (1) accessory building and such other structures as shall be incidental to residential use. No barns will be permitted. For the purpose of the sub-paragraph, a garage attached to any building on a lot shall not be considered a building or structure from that to which it is attached.

(c) The accessory buildings/structures, if any, on each lot shall be designed in such fashion as to blend with the design of the house and the surroundings and shall be located so as to minimize visibility from the street. The Building Committee may require a six foot privacy fence to be installed to screen any accessory building and, if required, it must be completed upon completion/delivery of any such building. All landscaping of any lot shall be completed within ninety (90) days from the completion of construction of the house.

(d) No flat, duplex, apartment or other dwelling designed to accommodate more than one family shall be permitted on any lot.

2. LIVING AREA

The living area of each house shall contain not less than one thousand five hundred (1500) square feet. The living area of the first floor of any house more than one story shall not be less than one thousand four hundred (1,400) square feet. In determining the number of stories in any house, the attic and basement, if any, shall not be counted. In determining the living area of any house, carports, garages, and open porches shall not be counted.

No house, building, or other structure on any lot shall be occupied or used by the owner for any purpose until the same has been substantially completed and, if required by law a Certificate of Occupancy therefore has been issued by the appropriate governmental authority.

3. BUILDING SET BACKS

No part of any building or other structure on a lot (other than walls and fences permitted by the Building Committee) shall be located closer to the property line of the lot than the minimum building set back lines shown on the Plat. If the Plat does not show the set back lines for a lot: 10 feet from each side line of the lot; and, in the case of the house, 35 feet from the rear line of the lot, or, in the case of all other structures on the lot (other than a wall or fence permitted), 10 feet from the rear line of the lot. The front line of all lots shall be the property line of all lots adjoining a subdivision street, or, if a corner lot, as

designated on the Plat. The set back line for the front of the house shall be 35 feet from the front line of the lot.

4. WATER AND SEWER SERVICES

The Owner of each lot shall be required to connect to and use the central water distribution and central sanitary sewage disposal system serving the subdivision, and shall be responsible for paying all connection fees and assessments. No septic tanks will be permitted.

5. SECONDARY UTILITY SERVICE

Each Owner shall be responsible for the installation at his expense, of all secondary utility service to his lot and from the area to area on his lot all of which shall be underground.

6. WALLS AND FENCES

No cyclone, chain link or wire fencing will be allowed. Walls or fences will be permitted in the rear yards of homes, provided that they do not exceed six feet in height. The rear yard shall be that portion of the lot extending from the rear lot line to the rear most plane of the house. All walls and fences must be approved in writing by the Building Committee prior to beginning erection.

7. GARAGES

If there is more than one garage on any lot, the principle garage must be attached to the house as an integral part of the house. If located on the side of the house, the principle garage may extend towards the front line of the lot.

Any additional garage must be located to the rear of the rear most plane of the house, and must be designed in such fashion as to blend with the design of the house.

As used herein, "garage" included, but is not limited to, porte-cocheres and carports.

8. EQUIPMENT

All heating, ventilation, and air conditioning equipment, including without limitation, compressors, and all gas meters, butane tanks, and other mechanical, and/or electrical devices on any lot shall be located to the rear of the front most plane of the house, and shall be visually screened from the street and adjoining lots.

9. GARBAGE DISPOSAL CONTAINER

Outside garbage disposal containers must be located to the rear of the rear most plane of the house and no closer to any property line of the lot than the minimum building set back lines applicable to the lot and must be in underground covered receptacles or visually screened from the street and adjoining lots. All outside garbage disposal equipment and containers shall be kept in a clean and sanitary condition. No lot shall be used as a dumping area for rubbish of any kind.

No trash or other refuse shall be kept, stored, or allowed to accumulate except between scheduled pick ups and in accordance with the provisions hereof. If trash or other refuse is to be picked up and carried away on a regular recurring basis, it must be placed in sanitary containers and only on the scheduled Pick up date or the night before may be placed on the lot to provide access to the person making the pick up.

Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed either under ground or screened by fencing or shrubbery so as not to be visible from any street, service driveway, community property, or other lot within Lots 1 through 58 , inclusive of Annabelle Junction Subdivision at all times.

10. SATELLITE DISHES

Satellite dishes more than eighteen (18) inches in diameter will not be permitted. All satellite dishes must be located to the rear of the rear most plane of the house and no closer to any property line of the lot than the minimum building set back lines applicable to the lot, and must be visually screened from the street and adjoining lots.

11. EXTERIOR LIGHTING

Exterior lighting should be recessed or directed downward and away from neighbors' yards.

No lighting shall be located so as to interfere with vehicular traffic or become a nuisance to neighbors by adversely affecting the nighttime environment of adjacent properties.

12. CLOTHES LINES

No outside clothes lines shall be permitted at any time unless visually screened from the street and adjoining lots.

13. SIGNS

No signs shall be placed or maintained upon any lot at anytime by anyone including without limitation, the Owner/realtor, contractor, or subcontractor except for the following approved signs of not more than six (6) square feet: (a) one (1) "For Sale" or "For Rent" sign; (b) one (1) sign by the builder during construction period not to exceed more than 180 days; (c) any sign or signs required to be posted by statute, ordinance, or

governmental rule or regulation or court order; or (d) any sign which has been specifically approved in writing by the Association. The Association shall have the right to restrict the size, color, content, location, number, and method of display of each approved sign. All "For Sale" or "For Rent" signs shall contain only the lot or street number, Real Estate company (and individual agent if desired) and telephone number. All contractor signs shall contain only the lot or street number, name of the Owner and/or the general contractor and telephone number. Signs must be placed parallel to the street and may not be displayed from the interior of any house, out building or other structure so as to be visible from the exterior. Nothing herein contained, however shall prevent the placing or maintenance of any sign or signs of any kind anywhere in the Subdivision by the Developer advertising the Subdivision or its sales activities pertaining to the Subdivision as long as Developer owns a lot in the Subdivision which has not been previously conveyed to a person other than the Developer.

14. ANIMALS

No bees or other insects, chickens, horses, cows, pigs, sheep, goats, or other recreation, work, farm, or large animals of any kind shall be kept or maintained in the Subdivision at any time, temporarily, or otherwise. The Association may, in its discretion, from time to time adopt and amend reasonable Rules and Regulations pertaining to the kinds and numbers of pets that an Owner shall be permitted to have in the Subdivision, and the Association is authorized to enforce such rules and regulations if and to the extent so adopted by it. All pets that are kept or maintained by any Owner shall be fenced or restrained in such manner that they cannot run loose in the Subdivision or become an annoyance or nuisance to the neighborhood. No commercial breeding or boarding of any animals shall be permitted in the Subdivision. The walking of pets to relieve themselves will be confined to the respective owners lot. Solid waste material must be placed in waterproof containers with tight fitting covers to control rodents, flies, obnoxious odors, etc. and must be disposed of.

15. TRAILERS, TRUCKS, MOBILE HOMES, BOATS AND PROHIBITED USES

No house trailer, truck(other than a pick-up truck), or mobile home shall be permitted on any lot, except trucks may be permitted during construction or temporary repairs to any building, structure, or other improvement on the lot. Travel trailers, hauling trailers, "habitable motor vehicles", boats and boat trailers must be stored to the rear of the front most plane of the house.

No trailer, mobile home, camper, recreational vehicle, or other vehicle, or boat shall at any time be used as a dwelling, temporarily, or otherwise.

16. BASKETBALL GOALS AND OTHER FIXED PLAY STRUCTURES

No basketball goals or backboards or other fixed game or play structures shall be located on any lot except on the side or rear of the house or garage or unless the same is

screened from the street.

17. ACTIVITIES

No trade, business, or commercial activities of any kind (other than as expressly permitted herein and the activities of Developer and/or the Owner of a lot, and their respective contractors and subcontractors, during the construction, repair and maintenance of the improvements on and landscaping of the lot), or obnoxious offensive, or illegal activity shall be permitted or conducted upon any lot or elsewhere in the Subdivision, nor shall everything be done thereon that may be or become an annoyance or a nuisance to the neighborhood or violation of the laws and regulations of the United States of America, the State of America, the County or Municipality, or this Declaration, or the Articles of Incorporation or Bylaws. This Association shall determine what constitutes noxious and offensive activities and its determination shall be complete and final.

No junk, inoperable motor vehicles or other unsightly personal property shall be kept or maintained on any lot or elsewhere in the Subdivision except for minor emergency repairs. Inoperable motor vehicles or those in a state of disrepair, shall be made operable or repaired at locations other than within the Subdivision.

No stripped down, partially wrecked or junked motor vehicles or sizeable part thereof, and no discarded or abandoned materials or vehicles of any kind shall be permitted to be parked or stored upon any lot or along any service driveway, street, park area or community property within Lots 1 through 58, inclusive of Annabelle Junction Subdivision. All vehicles shall bear a current license plate and be operable. No owner or tenant shall allow anyone to repair any motor vehicle, boat or other vehicle upon any lot or the common properties, except, for emergency repairs thereto and then only to the extent necessary to enable the movement thereof to the proper repair facility permitted by appropriate local authorities. Tanks for the storage of heating and cooking fuel installed on any lot shall either be buried below the surface of the ground or screened to the satisfaction of the Association by fencing or shrubbery.

18. WETLAND RESTRICTIONS

Any Owner with a lot with a wetland area as defined or delineated by the U. S. Corp of Engineers may not clear or fill said wetland area, except for minor under brushing and clearing of the area for construction of an elevated walkway across said wetlands. All appropriate permits by any regulatory agencies must be obtained prior by the Owner of the lot, at his Expense. All exposed painted areas of all buildings, structures, and improvements on each lot shall also be kept well painted by the Owner of the lot at his expense. The Owner of the lot shall at his expense keep the grass properly mowed and trimmed and maintain his yard and landscaping in good order and condition and keep free of trash, dead trees, and plants, and unsightly debris at all times.

ARTICLE EIGHT PROPERTY RIGHTS

Each member of the Association shall, as owner of one or more lots in the subdivision, have a right and non-exclusive easement to use and enjoyment in and to the common area. Such right and easements shall be appurtenant to and shall pass with title to every lot in the subdivision subject to the following limitations:

- a. The right of the Association to limit the use of the common area.
- b. The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for the purpose of providing utilities or similar or related purposes. No such dedication or transfer shall be effective unless an instrument has been approved by two-thirds of the votes of the entire active membership and may be subject to such conditions as such percentage of the members may designate in conjunction with the dedication or transfer. During the Declarant's development, any such dedication or transfer shall be effective only if approved in writing by the Declarant.
- c. The right of the Association to assess any individual lot owner for any damage to common property caused by the neglect or willful act by said owner, his family, tenants, agents or invitees.

ARTICLE NINE TITLE TO COMMON AREA

Sanderson Realty, Inc. hereby covenants for itself, and its successors that fee simple title to the common areas shall be conveyed to the Association free of all liens, (other than current year's taxes, if any) prior to the Declarant's relinquishing control of the Association or when the Declarant has conveyed all the lots in a particular phase, Declarant shall convey the common areas located within that phase to the Association.

ARTICLE TEN PARKING & COMMON AREA USAGE RIGHTS

The use of parking areas, if any within the common area, together with terms and conditions with regard to such use, shall be subject to and at all times governed by the Association rules as the same are in effect from time to time.

ARTICLE ELEVEN PARTY WALLS AND PARTY FENCES

- a. No wall or fence shall be erected without prior approval of the Association. Each wall or fence which is built as part of the original construction of any dwelling or improvement construction upon any lot in Lots 1 - 58 inclusive of Annabelle Junction Subdivision and placed on the side line between any lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence and willful acts or omissions shall apply thereto. Each lot owner of contiguous lots who have a party wall or party fence shall have the right to use such wall or fence, provided that such use

does not interfere with the use and enjoyment of the same by the other lot owners.

b. The costs of reasonable repair and maintenance of the party wall or party fence shall be shared by the Purchasers who make use of the wall in proportion to such use.

c. If a party wall or party fence is destroyed or damaged by fire or other casualty, any lot owner who has used the wall or fence, may, subject to the approval of the Building Committee, restore it. Notwithstanding any other provision of this article, a lot owner who by his own negligence or willful act causes a party wall or party fence to be destroyed or damaged shall bear the whole cost of restoration.

d. There shall be no impairment of the structural integrity of any party wall or party fence without the written consent of all lot owners having an interest therein, the first mortgagees of each such lot, and the Building Committee.

ARTICLE TWELVE COVENANTS FOR MAINTENANCE ASSESSMENTS

a. Declarant for the property and all portions thereof, including each lot in the subdivision created hereafter as part of the subdivision, hereby covenants and each Purchaser and person holding title of any lot by acceptance of the deed therefor, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree, for each lot and the improvements on, to pay to the Association, (1) general assessments, (2) special assessments. Such assessments shall be established, made and collected as hereinafter provided. The term Purchaser as used in this article shall also include any person holding title other than fee simple to any lot.

b. The general, and special assessments, together with interest thereon, costs of collection thereof, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien on the lot against which each assessment is made.

c. Each such assessment together with interest, reasonable attorney's fees and costs, shall also be the personal obligation of each such person, firm or entity who is an owner of such lot at the time that such assessments become due and payable. No assumption by a subsequent owner for delinquent assessments shall relieve the prior owner for personal liability therefor.

ARTICLE THIRTEEN GENERAL ASSESSMENTS

a. General assessments, levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the subdivision, the improvements, operation or maintenance of the common areas, the performance of the duties and exercises of the power of the Association as set forth in this Declaration, the payment of proper expenses of the Association and all costs incurred in the performance by the Association of its duties and the exercise by it and its powers, the

establishment of reasonable reserves for the maintenance, repair and replacement of paths and other improvements upon the common area.

b. General assessments shall include the following:

(1) The costs of the operation, maintenance, repair and replacement of the common elements.

(2) The costs of the management of the subdivision and the administrative costs of the Association, including professional fees and expenses.

(3) The costs of water, sewage service, if any, electricity, gas, and other utilities which are not metered to individual lots.

(4) The cost of labor, materials and supplies used in conjunction with the common elements.

(5) The costs of repairing damages to the common elements, if any, in excess of insurance coverage.

(6) The salary of any maintenance or security employees.

(7) The costs of premiums for fire, property, liability and other insurance for the common elements.

(8) The costs of additions, alterations or improvements or the acquisition of additional land, leasehold interest or other possessory or use rights of land, facilities, or other interest in recreational facilities purchased, or otherwise acquired as part of the common elements for the benefit of all lot owners authorized by the vote of at least two thirds (2/3) of the members of the Association.

(9) The costs of landscaping of the Common areas.

(10) The costs incurred in maintaining the storm drainage system, the irrigation system, if any, fences, gates, railings, signs, and common facilities.

(11) All other costs and expenses that may be duly incurred by the Association through its board of Directors from time to time in operating, protecting, maintaining, managing and conserving the subdivision property and in carrying out its duties and responsibilities as provided by the declaration or the Articles of Incorporation of Annabelle Junction Home Owners Association, Inc.

c. General assessments levied by the Association for each fiscal year shall be adequate to finance the operations and activities of the Association to satisfactorily maintain the common area and to establish and maintain adequate repair, and replacement reserve.

d. No assessment shall accrue on any lot owned by Declarant, or any Builder licensed by the State of Alabama, so long as the Builder does not occupy the premises as a place of residence..

ARTICLE FOURTEEN ASSESSMENTS

The initial assessment for the subdivision shall be established and published prior to closing of any lot in the subdivision. Said assessment shall be the reasonable costs of maintenance on the common areas and operation of the Association.

Except as provided for in the paragraph below, at least 40% of the votes of active members in the Association are required to increase the general assessments for any year over that charged during the previous year by 10%.

The general assessments may in any year in which major construction is added to a common area be increased to reflect the actual reasonable costs of maintaining any such additional facility.

ARTICLE FIFTEEN SPECIAL ASSESSMENTS

In addition to the general assessments authorized above, the Association may levy, during any calendar year, a special assessment for the purpose of recovering in whole or in part the costs of any construction, reconstruction, or expected repair or replacement of any improvement upon the common area, including the necessary fixtures, and personal property related thereto, provided, that any such assessment shall be approved by votes or written consent of 51% of the active membership of the Association as present either in person or by proxy and entitled to vote at a meeting of the members called for such purpose.

NOTICE AND FORM FOR ANY ACTION AUTHORIZED UNDER THIS SECTION

Any action authorized under this section which required the approval of the membership of the Association shall be taken at a meeting called for that purpose. Such meeting shall be noticed and held in the same manner as required by the Bylaws for the holder of notice of special meeting of the members of the Association and a quorum requirements therefor shall be the same for a special meeting of the members as set forth in the Bylaws.

ARTICLE SIXTEEN SUBORDINATION

a. The lien for the assessment provided for herein in connection with a given lot shall not be subordinate to the lien of any mortgage except the lien of a first mortgage given and made in good faith and for value that is of record as an encumbrance against such given lots prior to the recordation of a claim of lien for the assessments provided for in this Declaration against any such given lots.

b. The sale or transfer of any lot shall not effect the assessment lien provided for herein nor the creation thereof by the recordation of a claim of lien on account of assessment becoming due whether prior to, on or after the date of such sale or transfer, nor shall such sale or transfer diminish, defeat the personal obligation of any owner for delinquent assessment as provided for by this declaration, provided, however, that the sale or transfer of any lot pursuant to a foreclosure of any first mortgage or lien shall extinguish any assessment lien which has attached or become effective with regard to the lot so transferred foreclosed, and shall prohibit the creation of any assessments against any such lot on account of such assessment which became due prior to the date of such foreclosure, provided, however, that lien on account of assessment becoming due after such sale or transfer shall attach, be created, become effective, and be foreclosed in accordance with this Declaration.

ARTICLE SEVENTEEN EXEMPT PROPERTY

The following property subject to this Declaration shall be exempt of the assessment created herein, (a) portions of private property dedicated here and accepted by any local public authority, (b) the common areas and (c) Lot 59.

BUILDING RESTRICTIONS

Variances - Variance pertaining to the location of the buildings may be granted by the building committee in those cases where an unusual or different kind of building or improvement is contemplated, and in those cases where certain restrictions would cause an undue hardship to the owner, providing the granting of such variances are not materially detrimental for interest to owners of other lots in the subdivision and do not violate zoning ordinances of the Town of Summerdale, Alabama.

ARTICLE EIGHTEEN REMEDIES

The Association, and/or Declarant, as the case may be, shall have the right to enforce, by any proceeding at law or in equity the restriction, condition, covenant, reservation, liens and charges now or hereafter imposed by this Declaration. The expense of enforcement by the Association shall be chargeable to the Purchaser of any lot violating the provision hereof and shall constitute a lien on the lot collectable in the same manner as general assessment under this Declaration.

ARTICLE NINETEEN VIOLATION AND NUISANCE

Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be nuisance and in violation of the Declaration and may be enjoined or evaded whether or not relief sought is for negative or affirmative action, by the Declarant or Association as the case may be and shall be subject to any and all of the enforcement procedures set forth herein or in the Articles of Incorporation of Bylaws.

ARTICLE TWENTY - VIOLATION OF THE LAW

Any violation of any state, municipal or local law, or ordinance or regulation, pertaining to the ownership, occupation or use of any of the subdivision property, other than by Declarant is hereby declared to be in violation of the Declaration and the Association may subject said violation to any and all of the enforcement procedures set forth herein or in the Articles of Incorporation or Bylaws of the Association.

ARTICLE TWENTY - ONE REMEDIES CUMULATIVE

Each remedy set forth in this Declaration shall be in addition to all other remedies, whether available at law or in equity or otherwise and all such remedies, whether set forth in Declaration or not, shall be cumulative.

ARTICLE TWENTY - TWO DELIVERY OF NOTICES

A. Unless otherwise stated, any written notice or other documents addressed to the Association or the Building Committee or any other subdivision thereof Declarant or any other committee relating to or required or permitted by the Declaration or Association, Articles of Incorporation or Bylaws shall be given as specified in this Declaration.

B. Any written notice or other documents addressed to any Purchaser relating to or required or permitted by this Declaration or other Association, Article of Incorporation or the Bylaws may be delivered to said Purchaser, either personally or by mail in a manner provided for by the Articles of Incorporation of the Association or the Bylaws. Each Purchaser shall file his correct mailing address with the Association and shall promptly notify the Association in writing of any subsequent change of address.

ARTICLE TWENTY - THREE ACCEPTANCE OF DECLARATION

By acceptance of a deed or by acquiring any ownership interest in any portion of the Lots 1 through 58, inclusive of Annabelle Junction Subdivision, each person or entity, for himself or itself, his heirs, personal representative, successors, transferees

and assigns, binds himself, his heirs, personal representative, successors, transferees and assigns, to all of the provisions, restrictions, covenants, and conditions, rules and regulations now or hereafter imposed by this Declaration and any amendment or supplement thereof. In addition, each such person by doing so thereby acknowledges that this Declaration sets forth a scheme for the improvement and development of the real property covered hereby and hereby evidences this intent that all of the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Purchasers, grantees, assigns, owners and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial to and enforceable by all the various subsequent and future owners.

ARTICLE TWENTY - FOUR NON-WAIVER

The failure of the Declarant, the Association, or any Purchaser or their respective legal representative, heirs, successors and assigns, to enforce any covenant, easement, condition charge or restriction contained in this Declaration shall in no event be considered a waiver of the right to do so hereafter, as to the same violation of breach or as to such violation of breach during or prior or subsequent thereto.

ARTICLE TWENTY - FIVE HEADINGS AND INTERPRETATIONS

All of the covenants, conditions, restrictions, and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof is void, unlawful or unenforceable shall not effect the validity or enforceability of any other covenant, conditions, restrictions, reservations or clause or phrase thereof.

ARTICLE TWENTY - SIX REFERENCE OF PRONOUN

The headings introducing the text of several articles of this Declaration are solely for convenience and for reference and shall not constitute a part of this Declaration or effect its meaning in any way.

In the event of any conflict of this Declaration and the provisions of the Bylaws or Articles of Incorporation of the Association, the provision of this Declaration shall prevail.

ARTICLE TWENTY SEVEN ADDITION

The Declarant and it's successors and assigns, shall have the right without further consent of the Association at any time prior to relinquishing control of the

Association to bring additional property into the scheme or operation of this Declaration provided said additions shall be subject to all the rights, easements, covenants, conditions, affirmative obligations and restrictions declared herein.

ARTICLE TWENTY - EIGHT ENFORCEMENT

The Association, Declarant or any lot owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, and affirmative obligations of this declaration. Failure by the Association, Declarant or by any owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the rest to do so thereafter.

ARTICLE TWENTY NINE AMENDMENTS

This Declaration shall be amended in the following manner:

(1) Notice - Notice of the subject matter of the proposed amendment shall be included in the Notice of any meeting of the Association at which a proposed amendment is to be considered.

(2) Resolution - A resolution adopting a proposed amendment may be proposed by a majority of the Board of Directors or the members, and after being so proposed and approved by one (1) of such bodies, it must be then approved by the other to become effective. Directors and members not present at the meeting considering the amendment, may express their approval or disapproval in writing, providing such approval or disapproval is delivered to the Secretary at or prior to the meeting. Such approval must be by not less than seventy five percent (75%) of the votes of the Association. If the mortgage so provides, for the purposes of this subparagraph, that a mortgagee holding a mortgage comprising a first lien upon any unit shall express its approval or disapproval of such resolution in writing, the expression of such mortgagee shall be deemed to be that of the lot owner, and any contrary expression by the owner of such unit shall be disregarded.

(3) Recording - A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

(4) Agreement - In the alternative, an amendment may be made by an agreement signed and acknowledged by seventy five percent (75%) of the record owners of lots in the subdivision and all mortgagees holding mortgages upon all lots in the manner required for the execution of a deed, and such amendment shall be effective when

recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

(5) Government Regulations - Declarant may make any amendment to this Declaration that may be required by Federal or State law or regulations without complying with the terms of this Article.

(6) By Declarant - Notwithstanding anything contained herein to the contrary, the restrictions, covenants, easements, and conditions contained in this Declaration may be amended or revoked in whole or in part by Declarant provided such amendment or revocation does not conflict with governmental regulations in effect at that time, in the following manner: A Notice setting forth the intended amendment or revocation, shall be published once each week for two (2) successive weeks in a newspaper of general circulation in Baldwin County. If the Declarant shall not have received objection to the proposed amendment or revocation in writing, signed by more than 50% of the lot owners of record, within 30 days after the date of the first publication, Declarant may adopt such amendment to this Declaration, and record the same in the Office of the Judge of Probate, whereupon the same shall thereafter be and become effective.

(7) Notwithstanding anything contained herein to the contrary, the Declarant, so long as it owns any lot in Annabelle Junction Subdivision, or until December 31, 2026, whichever first occurs, shall have the right to disapprove and void any amendments to this Declaration.

(8) Any right granted to Declarant under this Declaration may not be amended without the express written consent of the Declarant until Declarant no longer owns any lot in Annabelle Junction Subdivision or until December 31, 2026 whichever first occurs.

ARTICLE THIRTY SPECIAL AMENDMENTS

Notwithstanding anything contained herein to the contrary, the Declarant, by its own action, shall have the right to amend this Declaration until such time as the Declarant shall relinquish control of the property owners association to the Purchasers of Lots 1 through 58, Annabelle Junction Subdivision. Each Purchaser grants by acceptance hereof to Declarant a power of attorney for effecting any documents necessary to effect said amendment.

IN WITNESS WHEREOF, SANDERSON REALTY, INC., an Alabama corporation, has caused this Declaration to be executed, by its duly authorized officer, whose name is set out below, this the 15th day of MARCH, 2006.

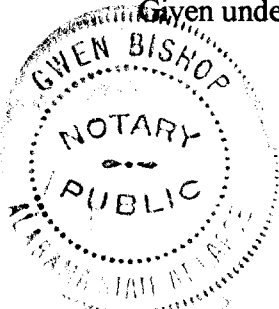
SANDERSON REALTY, INC.
an Alabama corporation

BY:

Ralph Sanderson
Ralph Sanderson, President

STATE OF ALABAMA
BALDWIN COUNTY

Before me, the undersigned notary public, in and for said county and state, hereby certify that Ralph Sanderson, whose name as President of Sanderson Realty, Inc., an Alabama corporations is signed to the foregoing Declaration and who is known to me, acknowledged before me on this day that, being informed of the contents of the Declaration, he, in his official capacity, 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 official seal this 1st day of March, 2006.

Gwen Bishop
NOTARY PUBLIC

My commission Expires: _____

Notary Public State of Alabama at Large
My Commission Expires: Feb. 14, 2007
Bonded Thru Notary Public Underwriters

THIS INSTRUMENT PREPARED BY:
JULIAN B. BRACKIN
BRACKIN, McGRIFF AND JOHNSON, P.C.
ATTORNEYS AT LAW
POST OFFICE BOX 998
FOLEY, ALABAMA 36536
251-943-4040

**ARTICLES OF INCORPORATION
OF
ANNABELLE JUNCTION PROPERTY OWNERS ASSOCIATION, INC.**

The undersigned, acting as incorporator of a nonprofit corporation under the Code of Alabama (1975), as amended, adopts the following articles of incorporation for such nonprofit corporation:

FIRST: The name of the corporation is Annabelle Junction Property Owners Association, Inc. hereinafter referred to as the "Association."

SECOND: The period of its duration is perpetual.

THIRD: The Association does not contemplate pecuniary gain or profit to its members, and the specific purposes for which it is formed are:

(a) Primarily to provide for government, preservation and architectural control of all Lots and Common Areas within the property known as Lots 1 through 58, inclusive, of Annabelle Junction Subdivision, a subdivision, Baldwin county, Alabama and recorded in the Office of the Judge of Probate of Baldwin County, Alabama. Lot 59 as shown on the recorded plat is hereby exempt from the provisions of this Association.

(b) To promote the health, safety and welfare of the residents and non-residential owners within the above-described property and any additions thereto as may be brought within the jurisdiction of the Association.

(c) To be and constitute the Association described in the Declaration of Rights, Easements, Covenants, Conditions, Affirmative Obligations, and Restrictions applicable to Lots 1 through 58, Inclusive, of Annabelle Junction Subdivision, as recorded in the Office of the Judge of Probate of Baldwin county, Alabama, and to perform all obligations and duties and to exercise all rights and powers of the Association as specified in the Bylaws of the Association, and as provided by all applicable statutes.

(d) To constitute a business entity by which the interests of the owner/developer of Lots 1 through 58, inclusive, of Annabelle Junction Subdivision development may be furthered.

(e) To engage in any lawful act or activity for which nonprofit corporations may be organized under the laws of the State of Alabama.

FOURTH: The powers of the Association shall include and be governed by the following provisions:

(a) No member, director, or officer of the Association shall receive any distribution of the income or other assets of the Association.

(b) The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles, the Declaration and the Bylaws of this Association.

(c) The Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in these Articles, the Declaration, or the Bylaws of the Association as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length including without limitation, the following:

(i) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

(ii) To manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association by rule or regulation, Declaration or contract has a right or duty to provide such services.

(iii) To 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 Association.

(iv) To enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or Bylaws.

(v) To borrow money for any purpose, as limited in the Bylaws, and with the assent of two-thirds (2/3) of each class of members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(vi) To dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

(vii) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or to annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of the members.

(viii) To enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying

out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private.

(ix) To act as agent trustee or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms or individuals.

(x) To adopt, alter and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration.

(xi) To provide any and all supplemental municipal services as may be necessary or proper.

(xii) To have and exercise any and all powers, rights, and privileges that a non-profit corporation organized under the Non-Profit Organization Act of the State of Alabama by law may now or hereafter have or exercise.

(xiii) The powers specified in the foregoing clauses shall, except where otherwise expressed, be in no wise limited or restricted by reference to or inference from the terms of any other clause wherein contained, but the powers specified in each of the foregoing clauses of this Article shall be regarded as independent powers.

(d) Terms contained in this instrument and not expressly defined herein shall have the same meanings provided in the Declaration.

FIFTH: The Association shall not have the authority to issue certificates or shares of stock, but shall be composed of members, subject to the following terms and conditions:

(a) The Association shall have one class of members, with the owner of each lot subject to the Declaration being a member of the Association and entitled to vote in accordance with the formula set forth in the Declaration, except there shall be no vote for any lot owned by the Association, with the exercise of voting rights to be determined by the Bylaws of the Association.

(b) Any change of membership shall be evidenced by filing for record a deed or other appropriate instrument in the Office of the Judge of Probate of Baldwin County, Alabama, which deed or other instrument shall establish record title to a Lot or other real property subject to the Declaration, which deed or other instrument shall be deemed to qualify as written notice to the Association of such change in ownership. The Grantee designated in such deed or other instrument automatically becomes a member of the Association; the membership of the prior owner is a contemporaneously terminated. In addition to the foregoing, the purchaser under a contract for deed, bond for title, or installment sales agreement shall, upon execution of such document, become a member of the Association.

(c) The share of a member of the Association in the assets of said association shall not be conveyed, assigned, hypothecated, sold, or transferred in any manner, except as an appurtenance of his or her lot.

SIXTH: The business of the Association shall be managed by the Board of Directors of the Association. The names and addresses by the persons who are to serve as the initial Board of Directors are as follows:

Ralph Sanderson
Post Office Box 1021
Gulf Shores, Alabama 36547

David Sanderson
Post Office Box 214
Elberta, Alabama 36530

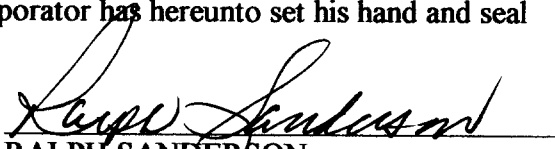
There shall be five (5) directors on the board of Directors for this organization. The remaining three directors shall be appointed by the initial Board of Directors. Thereafter, there will be an election conducted each year for a succeeding Board of Directors. The specific method of election, term of office, removal and filling of vacancies with respect to the Board of Directors shall be as set forth in the Bylaws.

SEVENTH: The address of the initial registered office of the Association is 156 East 15th Avenue, Gulf Shores, Alabama 36542, and the name of its initial registered agent at such address is RALPH SANDERSON.

EIGHTH: The name and address of the incorporator of this organization is as follows:

RALPH SANDERSON
Post Office Box 1021
Gulf shores, Alabama 36547

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal
this 15th day of MARCH, 2006.


RALPH SANDERSON

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that RALPH SANDERSON, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the

contents of the instrument, he executed the same voluntarily on the day the same bears date.



Given under my hand and official seal this, the 1st day of March, 2006.

Gwln Bishop
NOTARY PUBLIC

THIS INSTRUMENT WAS PREPARED BY:

JULIAN BRACKIN
BRACKIN McGRIFF AND JOHNSON, P.C.
Post Office Box 998
Foley, Alabama 36536
251-943-4040

Notary Public State of Alabama at Large
My Commission Expires: Feb. 14, 2007
Bonded Thru Notary Public Underwriters

**BYLAWS
OF
ANNABELLE JUNCTION PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1
Name, Principal Office and Definitions**

1.01 **Name**. The name of the Association shall be Annabelle Junction Property Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

1.02 **Principal Office**. The principal office of the Association in the State of Alabama shall be located at 156 East 15th Avenue, Gulf Shores, Alabama 36542. The Association may have such other offices, either within or without the State of Alabama, as the Board of directors may determine or as the affairs of the Association may require.

1.03 **Definitions**. The words used in these Bylaws shall have the same meaning as set forth in that Declaration of Rights, Easements, Covenants, Conditions, Affirmative Obligations, and Restrictions Applicable to Lots 1 through 58, inclusive, of Annabelle Junction Subdivision, (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**ARTICLE II
Association: Membership, Meetings, Quorum, Voting, Proxies**

2.01 **Membership**. The Association shall have one (1) class of members as set forth in the Declaration and Articles of Incorporation of the Association.

2.02 **Place of Meetings**. Meetings of the association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

2.03 **Annual Meetings**. The first meeting of the Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the closing of the Association's fiscal year. Subsequent regular annual meetings of the

Voting Members shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the foregoing, the annual meeting of the Voting Members shall be held at date and time as set by the Board of Directors.

2.04 **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 Association if so directed by resolution of majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten (10%) percent of the total votes of the Association. 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.

2.05 **Notice of Meeting**. Written or printed notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than then (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 Bylaws, 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 Voting Members at his address as it appears on the records of the Association, with postage thereon prepared.

2.06 **Waiver of Notice**. Waiver of notice of meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any such meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting 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 at such meeting unless such attendance is for the sole purpose of objecting to the calling or convening of the meeting, of which proper notice was not given, if raised before the business is put to a vote.

2.07 **Adjournment of Meetings**. If any meeting of the Association cannot be

held because a quorum is not present, a majority of the Voting 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 thirty (30) days from the time the original meeting was called. At the reconvened meeting at which 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 Voting Members in the manner prescribed for regular meetings.

The Voting Members present at the duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five (25%) percent of the total votes of the Association remain present, and provided further that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

2.08 **Voting**. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

2.09 **Proxies**. Voting Members may vote in person or by proxy.

2.10 **Majority**. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

2.11 **Quorum**. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by alternate of the Voting Members representing one-third (1/3) of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

2.12 **Conduct of Meetings**. The President shall preside over all meetings of the 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 such meeting.

2.13 **Action Without a Meeting**. Any action required by law to be taken at a meeting of the voting Members, or any action which may be taken at a meeting of the

Voting Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Voting Members.

ARTICLE III
Board of Directors: Number, Powers, Meetings

A. Composition and Selection

3.01 **Governing Body: Composition.** The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one vote. Except as provided in Section 3.02 of this Article, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

3.02 **Directors During Declarant Control.** The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant so long as the Declarant owns a Lot not previously transferred by Title recorded in the Probate Office of Baldwin County, Alabama, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by the Declarant need not be Owners or residents. After the period of Declarant appointment, all Directors must be Members of the Association.

3.03. **Veto.** This Section 3.03 may not be amended without the express written consent of the Declarant until Declarant no longer owns any lot in Annabelle Junction Subdivision or until December 31, 2026, whichever occurs first, unless earlier surrendered. This veto power shall be exercisable only by Declarant, its successors, and assigns who specifically take this power in a recorded instrument. The veto shall be as follows:

No action authorized by the Board of Directors or any of its committees shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) Declarant shall have been given written notice of all meetings and proposed actions approved at meetings to the Board or any of its committees by certified mail, return receipt requested or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies

as to the Board of Directors' meetings as set forth in this Article III of the Bylaws as to regular and special meetings of the Directors and which notice shall except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board or any of its committees, or the Association. At such meeting, Declarant shall have and is hereby granted a veto power over any such action, policy or program authorized by the Board of Directors or any of its committees or the Association or any individual member of the Association. This veto may be exercised by Declarant, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof.

3.04 **Number of Directors.** The number of Directors in the Association shall be not less than two (2) nor more than five (5), as the Board of Directors may from time to time determine by resolution. The initial Board shall consist of two (2) members and are identified in the minutes of the first meeting of the Board.

3.05 **Nomination of Directors.** Except with respect to Directors selected by the Declarant, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to members and shall solicit votes.

3.06 **Election and Term of Office.** Each Director shall be elected by a majority of those members present constituting a quorum of all members. Of the initial Board of Directors elected by the Association, two (2) Directors shall be elected for one (1) year terms and three (3) Directors shall be elected for two (2) year terms.

3.07 **Removal of Directors and Vacancies.** Directors may be removed by a vote of a majority of the Voting Members present at a meeting called for that purpose for cause or no cause. Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. A Director who was elected solely by the votes of Voting Members other than the Declarant may be removed from office prior to the expiration of his or her term by the votes of a majority of Voting Members other than the Declarant.

In the event of death or resignation of a Director, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

3.08 **Voting Procedure for Directors.** The first election of the Board shall be conducted at the first meeting of the Association. At such election, the Voting Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Votes shall be cast as provided in Section 3.07. The persons receiving the largest number of votes shall be elected.

B. **Meetings.**

3.09 **Organization Meetings.** The first meeting of the members of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

3.10 **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 four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. 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 written consent to holding of the meeting.

3.11 **Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two (2) 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 of the following methods: (a) by personal delivery; (b) by written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (4) by telegram, charges prepaid. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least ninety-six (96) hours before the time set for the meeting.

3.12 **Waiver of Notice**. The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (1) a quorum is present, and (b) either before or after the meeting 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 or consent need not specify the purposes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.13 **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 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 time the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14 **Compensation**. No Director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total vote of the Association at a regular or special meeting of the Association.

3.15 **Conduct of Meeting**. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

3.16 **Open Meetings**. Subject to the provisions of 3.17 of this Article, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

3.17 **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. An explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consents of all the Board members have been obtained.

C. **Powers and Duties.**

3.18 **Powers.** The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the Members.

The Board of Directors shall delegate to one 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 Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to take and be responsible for the following actions, by way of explanation, but no limitation.

- (a) Preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) Making assessments to defray the Common 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 each Lot's proportionate share 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 Association, its property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material 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 Association; the 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 Association and designating 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 major provisions of Declarant and these Bylaws after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws, 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 Association.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours or working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

(m) Make available to any prospective purchaser of a Residential Unit, any Owner of a Residential Unit, any first mortgage, and the holders, insurers, and guarantors of a first mortgage of any Residential Unit, current copies of the Declaration, the Articles

of Incorporation, the Bylaws, rules governing the Residential Unit and, as it may apply, the Land Segment, or any Subdistrict, or other residential association, and all other books, records, and financial statements of the Association; and

(n) Permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

3.19 **Management Agent.**

(a) The Board of Directors may employ for the Association a professional agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraph (a), (b), (f), (g) and (i) of Section 3.18 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days' or less written notice.

3.20 **Accounts and Reports.** The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise.

(a) Accrual accounting, as defined by generally accepted accounting principals shall be employed;

(b) Accounting and controls should conform with established AICPA guidelines and principals, which require, without limitation, (i) a segregation of accounting duties, (ii) disbursements by check requiring two (2) signatures, and (iii) cash disbursements limited to amounts of Twenty-five Dollars (\$ 25.00) and under.

(c) Cash accounts of the Association shall not be commingled with any other accounts,

(d) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise;

anything of value received shall benefit the Association.

(e) Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(f) Commencing at the end of the month in which the first Residential Unit is sold and closed, quarterly financial reports shall be prepared for the Association containing:

(i) An Income Statement reflecting all income and expense activity for the preceding three (3) months on an accrual basis;

(ii) An Account Activity Statement reflecting all receipt and disbursement activity for the preceding three (3) months on an accrual basis;

(iii) An Account Status Report reflecting the status of all accounts in an "actual" versus "approved" budget format with a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating expenses or ten (10%) percent of a major budget category (as distinct from a specific line item in an expended chart of accounts);

(iv) A Balance Sheet as of an accounting date which is the last day of the month closest in time to three (3) months from the date of closing of the first sale of a Residential Unit in the project, and an Operating Statement for the period from the date of the first closing to the said accounting date, which shall be distributed within sixty (60) days after the accounting date;

(v) A Balance Sheet as of the last day of the Association's fiscal year and an Operating Statement for said fiscal year, which shall be distributed within ninety (90) days after the close of a fiscal year.

(vi) A Delinquency Report listing all owners who have been delinquent during the preceding three (3) month period in paying the monthly installments of assessments and who remain delinquent at the time of the report and describing the status of any action to collect such installments which remain delinquent (a monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month); and

(vii) An Annual Report consisting of at least the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet as of the end of the fiscal year; (2) an operating (income) statement for the fiscal year; and (3) a statement of changes in financial position for the fiscal year. Ordinarily, the Annual Report referred to above shall be prepared by an independent accountant for any fiscal year in which the gross income to the Association exceeds Seventy-five Thousand Dollars (\$ 75,000.000). If said report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

3.21 **Borrowing.** The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Area and facilities without the approval of the Voting Members of the Association, provided, however, the Board shall obtain Voting Members' approval in the same manner provided in Section 10.03 of the Article X of the Declaration for the 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 (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

3.22 **Rights of the Association.** With respect to the Common Areas or other Association responsibilities owed and in accordance with the Articles of Incorporation and Bylaws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, and other agreement with trusts, condominiums, cooperatives, or neighborhood and other homeowners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

3.23 **Hearing Procedure.** The Board shall not impose a fine or suspend voting rights unless and until the following procedure is followed:

(a) **Demand.** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (i) The alleged violation.
- (ii) The action required to abate the violation; and

(iii) A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) **Notice.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Covenants Committee (as described in Section 5.02 of Article V hereof) in executive session. The notice shall contain:

- (i) The nature of the alleged violation;
- (ii) The time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice.
- (iii) An invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf, and
- (iv) The proposed sanction to be imposed.

(c) **Hearing.** The hearing shall be held in executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting, and Section 9.03 of Article IX of the Declaration shall be complied with. 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 sanction, if any, imposed.

(d) **Appeal.** Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the Manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

ARTICLE IV

Officers

4.01 **Officers**. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one 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 or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.02 **Election, Term of Office and Vacancies**. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.03 **Removal**. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

4.04 **Powers and Duties**. The officers of the 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 be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have the primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.05 **Resignation**. Any officer may resign at any time by given 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.

4.06 **Agreements, contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by the President and Treasurer or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V

Committees

5.01 **General.** Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as maybe provided in the resolution. Each committee shall be composed as required by law and 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**

6.01 **Fiscal Year.** The initial fiscal year of the Association shall be set by resolution of the Board of Directors.

6.02 **Parliamentary Rules.** Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Alabama law, the Articles of Incorporation, the Declaration, or these Bylaws.

6.03 **Conflicts.** If there are conflicts or inconstancies between the provisions of Alabama law, the Articles of Incorporation, the Declaration, and these Bylaws, the provision of Alabama law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

6.04 **Books and Records**

(a) **Inspection by Members and Mortgagees.** The Declaration and Bylaws, membership register, books of account, and minutes of meetings of the Members, the Board, the committees shall be made available for inspection and copying by any mortgagee, Member of the 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 Association or at such other place within the Properties as the Board shall prescribe.

(b) **Rules of Inspection.** The Board 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 Association and the physical properties owned or controlled by the 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 Association.

6.05 **Notices.** Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, 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 Residential Unit of such owner; or

(b) If to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the Owners pursuant to this Section.

END

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2006 March - 1 3:52PM

Instrument Number 958854 Pages 43
Recording 129.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate