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AMENDMENT
TO
DECLARATION OF CONDOMINIUM OF
ISLAND WINDS EAST; A CONDOMINIUM



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AMENDMENT
TO
DECLARATION OF CONDOMINIUM
OF
ISLAND WINDS EAST, A CONDOMINIUM

THIS AMENDED DECLARATION, is made this the 18th day of MAY, 2012, by Island Winds East Association, Inc., an Alabama non-profit corporation, hereinafter called "ASSOCIATION," by the appropriate vote of the members, for its members, successors, grantees and assigns.

WHEREAS, The Declaration of Condominium of Island Winds East Association, Inc., a condominium, dated July 8, 1981, created Island Winds East as a condominium and,

WHEREAS, the Developer committed certain lands and improvements to the condominium form of Ownership; and

WHEREAS, Island Winds East Association, Inc., is given the right in Paragraph 19 of the Declaration to amend the same, and the Association desires to amend the declaration in order to come under the provisions of the Alabama Uniform Condominium Act of 1991 and for other purposes as set out herein;

NOW, THEREFORE, the previous Declaration is amended and restated by substitution of the following language, the entirety of which is to replace and supersede the aforesaid recorded Declaration, as previously amended, to wit:

DEFINITIONS

The terms used in this Declaration and in the By-Laws shall have the meanings stated in the Alabama Uniform Condominium Act of 1991, and as follows, unless the context otherwise requires:

1.01. "ACT" means the Alabama Uniform Condominium Act of 1991, *Code of Alabama* (1975), Section 35-8A-101, et seq.

1.02. "ARTICLES" means the Articles of Incorporation of the Association, recorded in the Office of the Judge of Probate of Baldwin County, Alabama, as amended.

1.03. "ASSESSMENT" means the proportionate share (or share derived by formula) of the funds required for the maintenance of the Common Elements which from time to time may be levied against each Unit Owner.

1.04. "ASSOCIATION" means Island Winds East, an Alabama not for profit corporation, and its successors, and is the corporation coming under the application of the ACT.

1.05. "BOARD" means the Board of Directors of the Association.

1.06. "BUILDING" means all structures or structural improvements located on the Real Property and forming part of the Condominium.

1.07. "BY-LAWS" means the duly adopted By-Laws of the Association, identified as Exhibit "B" attached hereto and made a part hereof as if set out fully herein.

1.08. "COMMON ELEMENTS" means all portions of the condominium other than the Units.

1.09. "COMMON EXPENSES" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.10. "COMMON SURPLUS" means the excess of all receipts of the Association arising out of the Common Elements over the amount of the Common Expenses.

1.11. "CONDOMINIUM" means Island Winds East Condominiums, a condominium, and consists of the Condominium Property submitted to the Condominium form of ownership by this Declaration.

1.12. "CONDOMINIUM DOCUMENTS" means the Declaration, By-Laws, Articles and all Rules and Regulations adopted by the Association, and all exhibits attached thereto, as the same may be amended from time to time.

1.13. "CONDOMINIUM PROPERTY" or "PROPERTY" means all property, both real, personal or mixed, which is submitted to the Condominium form of ownership as provided for herein and includes the Real Property and all improvements now existing or hereafter placed thereon and all easements, rights, interests or appurtenances thereto, and all personal property now or hereafter used in connection therewith.

1.14. "DECLARATION" means this Amended Declaration of Condominium and any amendments thereto which may be made from time to time.

1.15. "DEVELOPMENT" shall have the same meaning as "Condominium Property" or "Property."

1.16. "DEVELOPMENT RIGHTS" shall have the same meaning as is defined in the ACT and as set out in the Declaration.

1.17. "LIMITED COMMON ELEMENT" shall have the same meaning as is defined in the ACT and as set out in the Declaration, and shall include the patio, balcony, terrace or porch abutting each Condominium Residential Unit, and any doorsteps or stoops abutting the Unit which provides access to and serves as such patio, balcony, terrace or porch are Limited Common Elements appurtenant to those Units to which they attach or are assigned and whose use is restricted to Units to which they are appurtenant.

1.18. "MEMBER" means a member of the Association, membership in which is confined to Unit Owners.

1.19. "MORTGAGEE" means any lender holding a mortgage or vendor's lien on any part or all of the Condominium Property.

1.20. "OCCUPANT" means a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

1.21. "ORIGINAL DEVELOPER" or "DEVELOPER" means Brett Real Estate, Robinson Development Company, Inc., an Alabama corporation, and its successors and assigns.

1.22. "PERSONS" means a natural person, a corporation, a limited liability company, a partnership, a limited partnership, the Association, a Trustee or other legal entity.

1.23. "PLANS" mean the floor plans and elevations of the Condominium prepared by an independent registered engineer or registered architect, and which are currently recorded in the Office of the Judge of Probate, Baldwin County, Alabama and which are expressly made a part hereof as though fully set out herein.

1.24. "REAL PROPERTY" means the Real Property which has previously been submitted to the Condominium form of ownership as provided for in the original Declaration of Condominium.

1.25. "SPECIAL DECLARANT RIGHTS" shall have the same meaning as is defined in the ACT and as set out in the Declaration.

1.26. "UNIT" or "PRIVATE ELEMENT" shall have the same meaning as "Unit" is defined in the ACT. The Units are designated on the Plans, and are further described in Articles 5.04 and 5.05.

1.27. "UNIT OWNER" means the Owner of a Unit, including a Garage Unit.

1.28. "UTILITY SERVICES" shall include but not be limited to electrical power, cable, internet, telephone, gas, garbage and sewage disposal.

When the context permits, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

NAME

2.01. The name by which this Condominium is to be known is Island Winds East, a condominium, located in Gulf Shores, Alabama.

THE REAL PROPERTY

3.01. The lands previously owned by the Developer, which have been submitted to the condominium form of ownership, are the lands described in Exhibit "A" attached hereto, lying and being in the County of Baldwin, State of Alabama.

PURPOSE

4.01. The Association hereby declares that the entire chapter of Chapter 8A of the *Code of Alabama* (1975) known as the "Alabama Uniform Condominium Act of 1991," namely *Code of Alabama* (1975), Section 35-8A-101, *et seq.* is applicable to the condominium known as Island Winds East. (Acts 1990, No. 90-551)

DEVELOPMENT PLAN

5.01. Improvements. The improvements are as shown upon the plans of record in the Office of the Judge of Probate, Baldwin County, Alabama, including a set of floor plans of the building showing the lay-out and location of each unit. The plans are in sufficient detail to identify the common elements and the private elements comprising the units as built and which said plans are supplemented and complimented by the narrative and the graphic descriptions herein contained. The structure is substantially complete. The private elements are distinct from the common elements, as set out in Article 5.04..

5.02. Easements. There are easements over the condominium property as set out in the exceptions to the property description. Easements are also reserved throughout the condominium property as may be required for utility services in order to adequately serve the condominium; provided, however, such easements to a unit shall be only in accordance with the plans and specifications for the buildings or as the buildings are constructed, unless approved in writing by the unit owner. Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. The

Association shall have a right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in any building.

5.03. Access. Each unit has a right of access to a public street or highway, that is to say West Gulf Beach Highway in Gulf Shores, Alabama, upon and over common elements, providing such access all as shown upon the site plan. the immediate common elements by which each unit has access to such public street or highway are: (i) the concrete walkways running along the face of the buildings and ground; and (ii) the parking area, driveways and streets all as shown upon the site plan.

Each of the following easements are reserved to the Association for the benefit of the Unit Owners, their guests and lessees and is a covenant running with the Real Property:

A. Utilities and Drainage. Easements are reserved throughout the Condominium Property as may be required for Utility Services and drainage in order to adequately serve the Condominium; provided, however, such easements to a Unit shall be only in accordance with the Plans or as the improvements are constructed, unless approved in writing by the Unit Owner. Each Unit shall have an easement as may be required to drain the Condominium Property adequately. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association shall have a right of access to each Unit to inspect the same, to remove violations therefrom, and to maintain, repair or replace the Common Elements contained therein or elsewhere on the Condominium Property; provided such right of access, except in the event of an emergency as deemed by the Association or its designee, shall not unreasonably interfere with the Unit Owners permitted use of the Unit, and except in the event of emergency, entries shall not be made without prior notice to the Unit Owner.

B. Access to Unit. The Association shall have the absolute right of access and entry to each Unit to inspect the same, to spray for pest control, to remove any violations from the Unit, to protect an adjoining Unit, and to maintain, repair, replace or protect any Common Elements contained therein or elsewhere on the Condominium Property; however, such right of access and entry, except in the event of an emergency, shall not be made without prior notice to the Unit Owner.

C. Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any Building, a valid easement for the

encroachment and for the maintenance of the same shall exist so long as such Building stands. In the event any Building, any Unit, any adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire, or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such Building or Buildings shall stand.

D. Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and of necessity in favor of all other Units, and the Common Elements.

E. Access. Each Unit shall have an easement for pedestrian traffic over, through, and across sidewalks, paths, walks, lobbies, elevators, stairways, walkways and lanes, and light passage ways, as the same may from time to time exist in the Common Elements; and for ingress and egress over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, but the same shall not give or create in any Person the right to park on any portion of the Condominium Property not designated as a parking area nor shall it give or create in any Person the right to use or occupy a Limited Common Element designated for the exclusive use of others. This easement shall be non-exclusive and shall include the right of ingress and egress to a public street or highway upon and over Common Elements providing such access and as shown on the Plans.

5.04. Units. (Private Elements). Each Unit is assigned a number, which is indicated on the Plans so that no Unit bears the same designation as any other Unit. The legal description of each Unit shall consist of the identifying number thereof as shown on the Plans, the name of the Condominium, the name of the County in which the Unit is situated, the name of the office in which this Declaration is recorded, and the Instrument Number under which this Declaration is recorded. The description and location of the particular Units and the appurtenances are determined with the aid of the Plans. The Unit boundaries are determined as follows:

A. Horizontal Boundaries. (Planes). The upper and lower boundaries extended to their planer intersections with the vertical boundaries of each Unit shall be:

(1) Upper Boundary. The horizontal plane of the unfinished lower interior concrete surface of the uppermost ceiling.

(2) Lower Boundary. The horizontal plane of the unfinished upper interior concrete surface of the floor.

B. Vertical Boundaries. (Planes). The vertical boundaries of each Unit shall be

the vertical planes of the interior surfaces of exterior windows and glass doors bounding a Unit and the unfinished concrete interior surfaces of the walls and entry doors bounding the Unit, excluding paint, wall paper, and light coverings, extended to their planer intersections with each other and with the upper and lower boundaries. Sheetrock is to be considered as a part of the private elements.

5.05. General Description of Condominium. The description and location of the private elements and the appurtenances thereto are determined with the aid of the plans therefore, attached hereto, and as follows:

a) Units Numbered. Each unit is assigned a number which is indicated on the Plans.

b) Unit Type A. Units of this type are on all eight floor levels, have one (1) balcony with a view of the Gulf of Mexico, have three (3) bedrooms, two (2) baths, and have 1,234 square feet of space exclusive of balconies and including an entrance hall, living room, closets and kitchen. The kitchen is equipped with dishwasher, garbage disposal, drop-in range, range hood and refrigerator; the unit is equipped with water heater, heater and air conditioner, washer and dryer, all as set forth in the specifications set out in the Plans.

c) Unit Type B. Units of this type are on all eight floor levels. Some Interior B units are located directly on the Gulf of Mexico; non-interior B units all have balconies with a view of the Gulf of Mexico, have two (2) bedrooms and two (2) baths, have one (1) balcony and have 821 square feet of space exclusive of balconies and including an entrance hall, living room, closets and kitchen. The kitchen is equipped with dishwasher, garbage disposal, drop-in range, range hood and refrigerator; the unit is equipped with water heater, heater and air conditioner, washer and dryer, all as set forth in the specifications set out in the Plans.

d) Unit Type C. Units of this type are located on all eight floor levels, are all located on the Gulf of Mexico, have one (1) balcony, have one (1) bedroom, and one (1) bath, and have 516 square feet of space exclusive of balconies and including an entrance hall, living room, closets and kitchen. The kitchen is equipped with dishwasher, garbage disposal, drop-in range, range hood and refrigerator; the unit is equipped with water heater, heater and air conditioner, washer and dryer, all as set forth in the specifications set out in the Plans.

e) Unit Type D. Units of this type are on all eight floor levels, are all located on the Gulf of Mexico, have one (1) balcony, have two (2) bedrooms, and two (2) baths, and have 892 square feet of space exclusive of balconies and including an entrance hall, living room, closets and kitchen. The kitchen is equipped with dishwasher, garbage disposal, drop-in range, range hood and refrigerator; the unit is equipped with water heater, heater and air conditioner, washer and dryer, all as set forth in the specifications set out in the Plans.

f) Garage Units. There are twenty-three (23) of these units, all as set forth in Exhibit "E" attached hereto.

5.06. Unit Ownership. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Unit Owner shall have the unrestricted right of ingress and egress to his Unit, which right shall be an appurtenance to his Unit. The private elements of each Unit shall include the following:

- A. The air space of the area of the Building lying within the Unit boundaries.
- B. The surfacing materials on the interior of the exterior walls and on interior walls separating one Unit from another Unit.
- C. The structural components and surfacing materials of all interior walls located within the boundaries of the Unit.
- D. The structural components and surfacing materials of the floors and ceilings of the Unit.
- E. All bathtubs, toilets and sinks, the range, refrigerator, dishwasher, hot water heater, air conditioning and heating units, lighting fixtures and all hardware and interior and exterior wall fixtures except those exterior lighting fixtures assigned to the common use of the Condominium.
- F. All interior trim and finishing materials, including sheetrock.

5.07. Surfaces. A Unit Owner shall not be deemed to own the structural components of the perimeter and/or load-bearing walls, nor the windows and doors bounding the Units, nor the door handles and locks giving access to the Unit. A Unit Owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain, paint, repaint, tile, wax, paper, or otherwise finish and decorate the surfacing materials on the interior of exterior walls and on interior walls separating a Unit from other Units, and the surfacing materials of the floors of his Unit; and all appurtenant installations, including all pipes, ducts, wires, cables, and conduits used in connection therewith, for services such as power, light, telephone, cable, internet, sewer, water, heat and air conditioning, whether located in the boundaries of the Unit or in Common Areas, which are for the exclusive use of the Unit; and all ceilings and partition walls. A Unit Owner shall have the exclusive right and duty to wash and keep clean the interior surfaces of windows and doors bounding his Unit.

5.08. Common Elements. Any right, title or interest in a Unit shall automatically carry with it as an appurtenance and without the necessity of specific reference thereto its respective undivided share of the Common Elements and a right to use the Common Elements in conjunction with the other Unit Owners. The Common Elements of the Condominium are all portions of the Condominium other than the Units and will include the Common Areas and facilities located substantially as shown on the Plans. Such Common Areas and facilities will include the following:

- A. All of the land described in the legal description.
- B. All improvements and parts of the Real Property which are not a Unit or Private Element.
- C. All parking areas, driveways and other means of ingress and egress.
- D. The mechanical systems and installations providing service to a Building, or to any Unit, such as electrical power, heating and air conditioning, sanitary and storm sewer facilities, and including all lines, pipes, ducts, flues, chutes, conduits, cables, wires, and all other apparatus and installations in connection therewith, whether located in the Common Elements or in the Units, except when situated entirely within a Unit for service only of that Unit.
- E. All tangible personal property required for the maintenance and operation of the Condominium and for the common use and enjoyment of the Unit Owners.
- F. Recreation areas and facilities.
- G. All foundations, slabs, columns, beams and supports of the Building and such component parts of exterior walls and walls separating Units, roofs, floors, ceilings, wind screens, doors, and windows bounding the Units as are not described herein as Private Elements.
- H. Lawn areas, landscaping, walkways, sidewalks, curbs and steps.
- I. Exterior steps, elevators, ramps, handrails, stairs and stairwells.
- J. All tanks, pumps, pump houses, wells, motors, fans, compressors and control equipment, fire lighting equipment, elevator equipment, and garbage equipment which are not reserved for the use of certain Owners.
- K. All area outdoor and exterior lights not metered to individual Units and supports and all entrance and related type signs.
- L. All entrance and related type signs.
- M. The patios, balconies, terraces, porches, storage areas, and doorsteps or stoops affixed to each Unit, even though designated as Limited Common Element.
- N. All other parts of the Condominium Property existing for the common use or necessity of the existence, maintenance and safety of the Condominium.
- O. All other items listed as such in the ACT.

COMMON ELEMENTS

6.01. Ownership. A schedule setting forth the percentage of undivided interest of each Unit in the Common Elements is attached hereto, marked Exhibit "D" and by reference made a part hereof. The percentage of undivided interest of each Unit in the Common Elements is determined by dividing the total number of square feet of interior area of each Unit by the total number of square feet of interior area of all Units. For purposes of percentage of ownership in the Common Elements, percentage of Common Expenses, and percentage of Common Surplus, and voting on all matters requiring action by the Owners, the percentages as set out on Exhibit "D" shall govern. The ownership interest in the Common Elements shall be an undivided interest, and except as provided in the ACT and this Declaration shall remain undivided. No Unit Owner shall bring any action for partition or division of the Common Elements. The ownership interest in the Common Elements shall not be conveyed, transferred, encumbered or otherwise affected separate from the ownership of the Unit, and any agreement to the contrary shall be void.

6.02. Use. Each Unit Owner shall have the right to use the Common Elements (except any portions thereof designated as a Limited Common Element and restricted to the exclusive use of and as an appurtenance to a Unit and subject to any portion subject to leases made by or assigned to the Board and the exclusive and semi-exclusive parking spaces and areas) in conjunction with the Owners of other Units as may be required for the purposes of access, ingress to, egress from, use, occupancy, and enjoyment of the Condominium Property. The right to use the Common Elements shall be subject to and governed by the provisions of the ACT, Condominium Documents, and the Rules and Regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions, or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws.

6.03. Share of Common Expenses and Limited Common Expenses. Each Unit Owner shall be assessed and is individually liable for a proportionate share of the Common Expenses and the proportionate share of the Common Expenses shall be the same ratio as the Unit Owner's percentage ownership in the Common Elements as the case may be. Payment of Common Expenses and Limited Common Expenses shall be in such amounts and at such times as determined in the By-Laws. Assessments shall be collected by the Association on a monthly basis, or as the Board may elect as to particular regular expenses, such as insurance. No Unit Owner shall be exempt from payment of his proportionate share of the Common Expenses or Limited Common Expenses by waiver or nonuse or nonenjoyment of the Common Elements or Limited Common Elements, or by abandonment of his Unit. Common Expenses and Limited Common Expenses shall include but shall not necessarily be limited to expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts.

6.04. Late Payment of Assessments. Assessments for Common Expenses and Limited Common Expenses, and installments thereon, paid on or before fifteen (15) days after the date

when due shall bear no interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest and other costs and expenses, at a rate set by the Board, but not to exceed to maximum legal rate, together with all expenses, including Attorney's fees incurred by the Association in any undertaking to collect such unpaid Assessments and expenses. All payment upon account shall be first applied to such late charges, penalties, interests and other costs and expenses, including Attorney's fees, and then to the Assessment payment due. The Association may, in the manner provided for in the By-Laws, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, By-Laws and Rules and Regulations of the Association.

6.05. Liens for Assessments. The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements and upon the goods, furniture and effects belonging to the Unit Owner and located in such Unit, which lien shall secure, and does secure, the moneys due for all Assessments now or hereafter levied or subject to being levied against the Unit Owner which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Assessment owing to the Association, and which lien shall also secure all costs and expenses, including reasonable attorney's fees, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the Common Elements.

6.06. Priority of Lien. The Association shall have a lien for nonpayment of Common Expenses and Limited Common Expenses as is provided by the ACT. In any suit for the foreclosure of a lien for Assessments, the Association shall be entitled to rental from the Unit Owner from the date on which the payment of any Assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said Unit, without notice to the Unit Owner. The rental required to be paid shall be equal to the rental charged on comparable type of dwelling Units in the area in which the Condominium is located. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at a rate set by the Board of the Association but in no case shall said interest exceed the maximum legal rate on any such advances made for such purposes. All Persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association. A lien for Common Expenses or Limited Common Expenses shall not be affected by any sale or transfer of a Unit, except as herein provided. A sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall extinguish a subordinate lien for Assessments which became payable prior to such sale or transfer; Provided, however, a sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall not extinguish the lien of the Association to the extent of the Common Expense Assessments and Limited Common Expense Assessments based on the periodic budget adopted by the Association pursuant to the ACT which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of an action to enforce the lien. However, any such delinquent Assessments, which were extinguished pursuant to the foregoing

provision, may be reallocated and assessed to all of the Units as a Common Expense. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, any Assessments made thereafter.

6.07. Assignment of Leases and Rents. In consideration of the aforesaid Lien for Payment of Assessments to the Association, and in order to secure the payment to the Association for assessment payments due it by each Unit Owner, with interest, now due or hereafter to become due thereon, and any and all other obligations of Unit Owners set out herein; each Unit Owner shall be deemed to have assigned to the Association all the rents, issues and profits due or to become due from his Unit, together with all leases, all subleases and any extensions, renewals or modifications thereof and agreements affecting the Unit, whether any such leases or agreements are now existing or shall arise in the future.

1. License to Collect Rents. Upon the occurrence of an Event of Default as hereafter defined, the Association is granted the authority to collect the rents and profits assigned hereunder, subject to the powers granted to the Association herein without the institution of any civil action or garnishment against a Unit Owner or Property Manager.

2. Rights of the Association. Upon the occurrence of an Event of Default, the Association shall have the following rights and powers, which the Association may exercise in its sole discretion:

A. The Association may enter upon and take possession of the Unit and demand, collect and receive directly from the tenants, lessees or other occupants, now or at any time hereafter in possession of the Unit of any part thereof, rents then due or to become due, endorse the name of the Unit Owner on all checks, notes or other instruments for the payment of money, deposit the same in bank accounts, give any and all acquittances, or any other instrument in relation thereto in the name of the Unit Owner, institute, prosecute, settle or compromise all summary or legal proceedings for the recovery of such rents, profits, or recover the whole or any part of the premises, and institute, prosecute, settle or compromise all other proceedings for the protection of the Unit or for the recovery of any damages done to the premises. The Association shall also have the power to defend all legal proceedings brought against the Association or against the Unit Owner arising out of the operation of the Unit.

B. The Association shall have the power to lease or rent the Unit, to employ an agent to rent and manage the Unit and to fix the agent's compensation, to make all changes or improvement deemed by the Association necessary or expedient for the leasing or renting of the Unit, to keep and maintain the Unit in a tenable and rentable condition, as well as in a good state of repair, to purchase all equipment or supplies necessary or desirable for the operation or maintenance of the Unit, to pay for all gas, electricity, power, painting, repairs, wages of employees and other items for the maintenance of the Unit.

C. The Association may, but need not, seek the judicial appointment of a receiver who shall have all rights and powers as granted to the Association herein, and all other powers available to a Receiver at law and in equity.

D. With or without taking possession of the Unit, the Association may demand, collect and receive from the Unit Owner's Property Manager, Tenants, Lessees or other occupants, now or at any time hereinafter in possession of the Unit, or any part thereof, rents then due or to become due and apply the same to the indebtedness secured hereby. A copy of this recorded Declaration and a statement of Past Due assessments due the Association, certified by the Treasurer of the Association shall be sufficient notice to a Property Manager that this assignment of rents is valid.

E. The Association shall have the authority to pay the cost of all the matters herein mentioned out of the rents and other revenues received from the Unit. The cost of any such expenditure and of any payment which the Association may make under the provisions of this Assignment, including expenses and charges for attorneys shall be charged to Unit Owner. Income derived from the Unit and collected by The Association shall first be applied to the payment of expenses incurred in collecting said income, second to the expenses of managing and preserving the Unit, and third to the interest accrued and then principal indebtedness secured hereby.

F. Each Unit Owner conditionally assigns, transfers and sets over to the Association all leases or subleases made to the various tenants in the building, whether now existing or hereinafter entered into, and all Unit Owners' rights, title and interest therein. Upon the occurrence of an Event of Default, the Association shall have full power and authority to do and perform all acts or things necessary and requisite to be done in and about the Unit, as fully and to all intents and purposes as each Unit Owner might or could do if present, with full power of substitution and revocation. Each Unit Owner ratifies and confirms all that the Association shall lawfully do or cause to be done by virtue hereof.

3. Liability of The Association. The Association shall in no way be liable for any act done or any act omitted by it, but shall be liable only to account for all monies that it may receive hereunder, and nothing herein contained shall be construed to prejudice its rights to institute or to prosecute any proceedings to enforce any lien which the Association may have by reason of any default, present or future, under the terms of this Declaration.

4. Malfeasance of Agents. The Association shall in no way be responsible or liable for any failure to account for any rents collected by any agent or collector of the Unit whom it may designate or appoint to collect or manage the Unit which are not received by the Association, nor shall the Association be in any way liable for its failure or refusal to make repairs to the Unit.

5. Maintenance of Records. Each Unit Owner shall maintain rent rolls, statements of expense and income and such other records relating to the Unit as may be required by the Association and shall provide copies of such records of the Association upon its request.

6. Payments and Release. In the Event of Default, each Unit Owner directs any and each property manager, tenant, lessee or occupant to pay rents as they become due to the Association upon demand for payment therefor by the Association, and upon payment of rents directly to the Association, each Unit Owner hereby releases each property manager, tenant, lessee or occupant from any claim for rents paid to the Association. The Association is authorized to enter into an indemnity agreement with property managers in order to secure their cooperation in collecting rents due the Association.

7. Events of Default. A 60 day delinquency in the payment of monthly assessments or a 60 day delinquency in the payment of any special assessment shall be considered an Event of Default. Upon such default, all amounts, including the entire yearly assessment based on the annual budget, due to The Association shall at its option be accelerated and immediately become due and payable, and the Association may exercise any of the remedies available to it, as set forth herein.

6.08. Disposition of Surplus. Each Unit shall carry with it a proportionate share of Common Surplus or Limited Common Surplus, as the case may be, and the proportionate share of Common Surplus or Limited Common Surplus shall be the same ratio as that Unit Owner's percentage ownership of the Common Elements or Limited Common Elements; or in the alternative, such surplus, or any portion thereof, may be added to a reserve fund for maintenance, repair and replacement of the Common Elements or the Limited Common Elements, as the case may be, at the sole discretion of the Board.

THE ASSOCIATION

7.01. Powers and Duties. The operation and administration of the Condominium shall be by the Association of the Unit Owners, pursuant to the provisions of the ACT. The Association shall be a not for profit Alabama corporation incorporated by Articles of Incorporation recorded in the Office of the Judge of Probate of Baldwin County, Alabama. The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or nonexercise of its powers. The Association shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of Unit Owners of the Condominium with reference to the Common Elements or the Limited Common Elements, the roof and structural components of a Building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a Building as distinguished from mechanical elements serving only a Unit; and with reference to any and all other matters in which all the Unit Owners have a common interest. The Association shall have all the powers and duties set forth in the ACT, as well as all the powers and duties granted to or imposed on it under the By-Laws and other Condominium Documents as they may be amended from time to time. The Association is specifically authorized to enter into agreements by which its powers and duties, or some of them, may be exercised or performed by some other Person or Persons. The Association shall have a reasonable right of

entry upon any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Development, and further, shall have the right to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development. The Board shall have the authority and duty to levy and enforce the collection of general and specific Assessments for Common Expenses and Limited Common Expenses and is further authorized to provide adequate remedies for failure to pay such Assessments. The Association shall have the right to pledge and hypothecate the right to levy and collect assessments to a lender as security for a loan or a line of credit.

7.02. Name. The name of the Association shall be Island Winds East Association, Inc.

7.03. Members. Each Unit Owner shall be a Member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall immediately terminate when he ceases to be a Unit Owner. The membership of a Unit Owner cannot be assigned or transferred in any manner except as an appurtenance to his Unit.

7.04. Voting Rights. Each Unit shall be entitled to one (1) vote, which vote is not divisible, the numerical value of which shall be the percentage of undivided interest in the Common Elements assigned to the Unit of which the Member is the Owner. The vote for a Unit shall be cast by the Owner thereof in the manner provided for herein and in the By-Laws. However, should the Association be a Unit Owner, it shall not have the voting right for that Unit. A Unit Owner who is delinquent in paying assessments for over 60 days shall not have the right to vote as a member.

7.05. Designation of Voting Representative. In the event a Unit is owned by one (1) Person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one (1) Person, the Person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, limited liability company, partnership or limited partnership, the officer, member, partner, employee or individual entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the president or vice president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation), managing member (in the case of a limited liability company), or by the general partner or partners if more than one (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a Unit owned by more than (1) Person or by a corporation, limited liability company, partnership or limited partnership, the membership or vote of the Unit concerned may be cast in accordance with the ACT. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned is effected. A certificate designating the Person entitled to cast the vote of a Unit may be revoked by any Owner thereof.

7.06. Restraint Upon Assignment of Shares in Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

7.07. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than five (5) as shall, from time to time, be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the Members. A director must be a Unit Owner or a designated Voting Representative of a Unit Owner. A Unit Owner who is delinquent in paying assessments for over 60 days shall not be eligible to be a Director, and a sitting Director so delinquent shall be deemed to have resigned from the Board.

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

7.09. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage caused by a latent condition of the Property to be maintained and repaired by the Association, nor for injury or damage caused by the elements, or other Owners or Persons.

7.10. By-Laws. The Association and its Members shall be governed by the By-Laws.

7.11. Availability of Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the ACT and FannieMae lender guidelines as they may change from time to time, including monthly financial statements. The Association shall make reasonably available in the county where the Condominium is located for examination by Unit Owners, prospective purchasers, first mortgagees and insurers of first mortgagees of any Unit, or their authorized agents, current copies of the Declaration, By-Laws, Rules and Regulations and other books, records, financial statements and the most recent annual financial statement of the Association. Reasonably available shall mean available for inspection upon request, during normal business hours or under reasonable circumstances.

7.12. Reserves for Replacements. The Association shall establish and maintain a adequate reserve fund for the periodic maintenance, repair and replacement of improvements

to the Common Elements and Limited Common Elements at a minimum sufficient to satisfy FannieMae lender guidelines.. The fund shall be maintained out of regular Assessments for Common Expenses and Limited Common Expenses or as provided in Paragraphs 9.12(A) and 10.06(C).

MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

8.01. Maintenance by the Association.

A. The Association, as a Common Expense, shall maintain, repair and replace if necessary the following:

(1) All portions of the Common Elements and Limited Common Elements not the responsibility of a Unit Owner under the provisions of Paragraph 8.02, hereof.

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services that are contained within a Unit but service part or parts of the Condominium other than the Unit within which contained and that are not the responsibility of a Unit Owner under Paragraph 8.02, hereof.

B. The Association may enter into a contract with any firm, person or corporation, or may join with other entities in contracting for the maintenance and repair of the Condominium Property and other type properties, and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by the Condominium Documents to have the approval of the Members of the Association, elected by the Unit Owners pursuant to the Act.

8.02. Maintenance by Unit Owner.

A. Each Unit Owner shall maintain his Unit and the interior thereof in good tenantable condition and repair, and shall repair, maintain and replace if necessary the following:

(1) The fixtures and equipment in his Unit, including the refrigerator, stove, fans, dishwasher and all other appliances, drains, plumbing fixtures and connections, sinks and plumbing within the Unit; electric panels, wiring, outlets, and electric fixtures within the Unit; interior doors, windows, screening and glass; and all wall coverings and carpeting within a Unit.

(2) The plumbing, heating, ventilation, air conditioning and electrical systems serving only that Unit, whether located within or without the boundary of that Unit, including the heater and air conditioning compressor, hot water heaters, fuse boxes, wiring,

fireplace flues and all other plumbing, electrical, gas or mechanical systems. In the event any such system or portion thereof is within another Unit, or requires access to another Unit, the repair, maintenance or replacement thereof shall be performed by the Association, and the cost thereof shall constitute an Assessment against the Unit Owner responsible therefore.

B. Each Unit Owner shall keep the Limited Common Elements, appurtenant to his Unit, if any, in a neat and presentable appearance and shall not allow such area to be used for storage or beyond its intended use.

8.03. Covenants of Owner. Each Unit Owner agrees as follows:

A. To perform all maintenance, repairs and replacements that are the obligations of the Unit Owner under this Declaration and the Act.

B. To pay for all utilities of the Unit Owner, including electricity, gas and telephone used within the Unit and all taxes levied against his or her Unit.

C. Not to make, or cause to be made, any repairs to any plumbing, heating, ventilation or air conditioning systems located outside a Unit Owner's Unit but required to be maintained by the Unit Owner pursuant to the provisions of this Declaration, except by licensed plumbers or electricians authorized to do such work by the Association or a delegate or agent of the Association.

D. Not to make any addition or alteration to his or her Unit or to the Common Elements or Limited Common Elements or do any Act that would impair the structural soundness or safety of any part of the Condominium Property. Structural alterations within a Unit may be made only with the written consent of the Association.

E. To make no alterations, additions, improvements, decoration, repair, replacement or change to the Common Elements, or Limited Common Elements, or to any outside or exterior portion of the Building, specifically including, but not limited to screening or enclosing private balconies, installing garage or other exterior doors, or affixing out-shutters to windows, without the prior written consent of the Association. If consent is granted, the Unit Owner shall use only a licensed contractor who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association. The Unit Owner shall be liable for all damages to another Unit, the Common Elements and to the Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident or otherwise.

F. To allow the Association, its delegates, agents or employees, at all reasonable times to enter into any Unit for the purpose of maintaining, inspecting, repairing or replacing Common Elements or Limited Common Elements or for repairing, maintaining or

replacing any plumbing, heating, ventilation or air conditioning system located within such Unit but serving other parts of the Condominium Property; or to determine, in case of emergency, the circumstances threatening Units or Common Elements or Limited Common Elements and to correct the same; or, to determine compliance with the provisions of the Condominium Documents.

G. To promptly report to the Association any defects or needed repairs for which the Association is responsible.

H. To reimburse the Association for any repairs or replacements which are made necessary because of abuse or negligent use by a Unit Owner of the Condominium Property, the cost of such repair or replacement may be assessed against such Unit Owner.

I. To comply with all the obligations of a Unit Owner under the Act.

8.04. Facade. The Association shall determine the exterior color scheme of the Buildings and shall be responsible for the maintenance thereof, except as may be otherwise provided for herein. No Owner shall paint any exterior surface or add or replace anything hereon or affixed thereto without the written consent of the Association.

8.05. Repairs. The Association shall be responsible for the maintenance, repair and replacement of the Common Elements and Limited Common Elements, except as otherwise provided for in Paragraph 8.02; provided, that if any repairs or replacements are made necessary because of abuse or negligent use thereof by a Unit Owner, the cost of such repair or replacement may be assessed against such Unit Owner.

8.06. Addition, Alteration and Improvement of the Common Elements. Except as may be permitted by the Act, and except as to any Special Declarant rights provided for in this Declaration, after the completion of the improvements included in the Common Elements or Limited Common Elements which are contemplated by this Declaration, there shall be no additions, alteration, change or further improvement of Common Elements or Limited Common Elements without prior approval of the Association.

INSURANCE

9.01. Purchase of Insurance. Commencing not later than the time of the first conveyance of a Unit to a person other than the Developer, the Association shall maintain insurance upon the Condominium Property to the extent reasonably available as provided for in the ACT and as follows.

9.02. Location of Policies. The Association shall retain the original of all insurance policies in a place of safe keeping such as a safe or a safety deposit box.

9.03. Copies to Mortgagees. One (1) copy of each insurance policy, and of all endorsements thereto, shall be furnished by the Association to any first Mortgagee requesting a copy.

9.04. Authorization to do Business. All policies of insurance must be issued by companies specifically authorized by the laws of the State of Alabama to transact such business.

9.05. Coverage. The Association is required to maintain the following insurance coverage:

A. Property and Casualty. The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, the property insurance required by the ACT for condominium structures with horizontal boundaries and, by way of addition, as follows. The type of policy shall be a "master" or "blanket" type policy of property insurance covering all of the Common Elements (except land, foundation, excavation, and other items usually excluded from coverage) including fixtures, building service equipment and supplies, and other personal property belonging to the Association. All references herein to a "master" or "blanket" type of policy of property insurance are intended to denote single entity Condominium insurance coverage. **In addition, the insurance obtained under this section shall include coverage of the Units themselves.** Fixtures or equipment located within a Unit (regardless of whether or not such Property is a part of the Common Elements) must be covered by such "master" or "blanket" policy, but the coverage need not include improvements and betterments installed by Unit Owners. If reasonably available, the insurance policy shall include an "All In" endorsement which shall include coverage of appliances (including stoves, cooking ranges, built-in microwave ovens, refrigerators, dishwashers, ice-makers, clothes-washers and dryers, to the extent these were original appliances or were replacement items for such original appliances), air conditioners, and all fixtures contained within the Units. The policy shall be in an amount deemed appropriate by the Association but not less than the greater of eighty percent (80%) of the actual cash value of the insured Property at the time the insurance is purchased or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any coinsurance provision at any renewal date, exclusive of land, excavation, foundation, and other items normally excluded from property policies. The policy shall include an "Agreed Amount Endorsement" or its equivalent and, if available, an "Inflation Guard Endorsement." If there shall be a construction code provision that requires changes to undamaged portions of the Condominium Property even when only part of the project is destroyed by an insured hazard, the policies shall include construction code endorsements. The property insurance policy shall provide, as a minimum coverage and protection against:

(1) Loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement;

(2) All other perils which are customarily covered with respect to condominiums similar in construction shall be obtained so as to meet the requirements of the ACT.

B. Liability Insurance. The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, a comprehensive general liability insurance policy, including medical payments insurance, as required by the ACT and covering all the Common Elements and public ways of the Condominium. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be, if reasonably available, for at least one million dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, if reasonably available, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of law suits related to employment contracts of the Association. The policy shall also include, if reasonably available, coverage for protection against water damage liability and, if applicable, elevator collision and garage keepers liability. If required by any first mortgage holder and, if reasonably available, the policy shall include protection against such other risks as are customarily covered with respect to Condominiums similar in construction, location and use, including but not limited to, host liquor liability, employers liability insurance, contractual and all written contract insurance and comprehensive automobile liability insurance.

C. Flood Insurance. If any part of the Condominium Property shall be deemed to be in a special flood hazard area, as defined by the Federal Emergency Management Agency or other governmental agency, the Association shall, if reasonably available, obtain, maintain and pay the premiums upon, as a Common Expense, a "master" or "blanket" type of flood insurance policy. The policy shall cover the Common Elements falling within the designated flood hazard area. The insurance shall be in an amount deemed appropriate by the Association, but not less than an amount equal to the lesser of:

(1) Eighty percent (80%) of the actual cash value of the insured property located within the flood hazard area; or

(2) The maximum coverage available for the Property under the National Flood Insurance Program. The policy shall be in a form which meets the criterion set forth in the most current guidelines issued on the subject by the Federal Government.

D. Personnel Coverages. Should the Association employ personnel, all coverages required by law, including workman's compensation, shall be obtained so as to meet the requirements of the law.

E. Insurance Against Theft – Fannie Mae Lender Guidelines. The Association, if reasonably available, shall obtain, maintain and pay the premiums upon, as a Common Expense, insurance to protect against loss of money by dishonest acts on the parts of all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of the Association or funds administered by the Association. The Association will all also, if reasonably available, shall obtain, maintain and pay the premiums upon, as a Common Expense, insurance as may from time to time be called for by Lender Guidelines issued by Fannie Mae, or any similar successor entity as a condition for a conforming condominium unit loans.

F. Other Insurance. The Association shall obtain other insurance required by the ACT and shall have authority to obtain such other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable. Such insurance includes an Errors and Omissions policies to insure the actions of the Board of Directors against such claims. The premiums for such insurance shall be a Common Expense.

If the insurance described above which is required to be maintained is not reasonably available, the Association promptly shall give notice of that fact to be hand delivered or sent prepaid by United States Mail to all Unit Owners.

9.06. Individual Insurance. Nothing contained herein shall be construed to prevent a Unit Owner from obtaining insurance for his own benefit.

9.07. Provisions. Insurance coverage, if reasonably available, must comply with the requirements of the ACT and this Declaration and shall in substance and effect:

A. Provide that the policy shall be primary, even if the Unit Owner has other insurance that covers that same loss, and further provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, pro-ratio or contribution by reason of any other insurance obtained by or for any Unit Owner.

B. Contain no provision relieving the insurer from liability for a loss occurring because the hazard to such Building is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition, or any other act or neglect by the Association or any Unit Owner or any other Persons under either of them.

C. Provide that such policy may not be canceled or substantially modified and the insurer may not refuse to renew said policy (whether or not requested by the Association) except by the insurer giving at least thirty (30) days prior written notice thereof to the Association, the Unit Owner, each holder of a first mortgage on an individual Unit, and every other Person in interest who shall have requested such notice of the insurer.

D. Contain a waiver by the insurer of any right of subrogation to any right of the Association, or either against the Owner or lessee of any Unit.

E. Contain a standard Mortgagee clause which shall:

(1) Provide that any reference to a Mortgagee in such policy shall mean and include all holders of mortgages of any Unit, whether or not named herein; and

(2) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Association or Unit Owners or any Persons under any of them; and

(3) Waive any provisions invalidating such Mortgagee clause by reason of the failure of the Mortgagee to notify the insurer of any hazardous use or conveyance, any requirement that the Mortgagee pay any premium thereon, and any contribution clause.

9.08. Responsibilities of Unit Owner. Each Unit Owner shall be responsible for obtaining insurance for his own benefit.

9.09. Insurance Premiums. Insurance premiums maintained by the Association shall be paid by the Association as a Common Expense. Should the Association fail to pay such insurance premiums when due, or should the Association fail to comply with other insurance requirements of a Mortgagee, the Mortgagee shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance. To the extent of any money so advanced, the Mortgagee shall be subrogated to the Assessment and the lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

9.10. Insurance Trustee; Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their Mortgagees as their interest may appear, and shall provide that all proceeds covering Property losses shall be paid to the Association, as Insurance Trustee for each of the Unit Owners in the percentages as established by the Declaration, which said Association, for the purpose of these provisions, is herein referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid, and hold the same in trust for the purpose elsewhere stated herein and for the benefit of the Unit Owners and their Mortgages. The Insurance Trustee shall have the power to adjust all claims arising under insurance policies purchased by the Association; to bring suit thereon in its name and/or in the name of other insured; to deliver releases on payment of claims; to compromise and settle such claims; and, otherwise, to exercise all the rights, powers, and privileges of the Association and each Unit Owner and any other holder of an insured interest in the Condominium Property under such insurance policies, however, the actions of the Insurance Trustee shall be subject to the approval of any first Mortgagee if the claim shall involve more than one Unit, and only if one

Unit is involved, such actions shall be subject to approval of any first Mortgagee holding a mortgage and encumbering such Unit.

9.11. Shares of Proceeds. The Association, as Insurance Trustee, shall receive such insurance proceeds as are paid to it and shall hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their Mortgagees in the following shares:

A. Common Elements. An undivided share of the proceeds on account of damage to Common Elements, shall be held for each Unit Owner, with such share's portion of the total proceeds being the same percentage as the share of the Common Elements appurtenant to his Unit.

B. Units and Limited Common Elements. Except as provided elsewhere in this Declaration:

(1) When the Condominium Property is to be restored, the proceeds shall be held for the Unit Owners of damaged Units and damaged Limited Common Elements, with the share of each in the total proceeds being in the proportion that the cost of repairing the damage suffered by such Unit Owner bears to the total cost of repair, which cost shall be determined by the Board.

(2) When the Condominium Property is not to be restored, the proceeds shall be held for the Unit Owners in the undivided shares that are the same as their respective shares in the Common Elements.

C. Mortgages. In the event a Mortgagee endorsement has been issued with respect to a Unit, the share of the Owner of that Unit shall be held in trust for the Mortgagee and the Unit Owner as their interest may appear; provided, however, that no Mortgagee shall have any right to determine, or participate in the determination of, whether or not any damaged Property shall be reconstructed or repaired except as may be specifically provided to the contrary elsewhere in this Declaration.

9.12. Distribution of Proceeds. Proceeds of insurance policies received by the Association as Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners:

A. Reconstruction or Repair. First, if the damage for when the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, with remittances to Unit Owners and Mortgagees being payable jointly to them or, at the discretion of the Board, such proceeds may be retained by the Association and placed in the Association's Reserve Fund as provided in Paragraph 7.14.

B. Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners with remittances to Unit Owners and their Mortgagee being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by any such Mortgagee.

RECONSTRUCTION OR REPAIR AFTER CASUALTY

10.01. Determination to Reconstruct or Repair. Any portion of the Condominium for which insurance is required under this Declaration for which it is damaged or destroyed must be repaired or replaced promptly by the Association unless:

A. The Condominium is terminated in accordance with the ACT;

B. Repair or replacement would be illegal under any state or local statute or ordinance covering health or safety; or

C. Eighty percent (80%) of the Unit Owners, including every owner of a Unit or assigned Limited Common Element which will not be rebuilt; vote not to rebuild. The cost of repair or replacement of a Common Element in excess of insurance proceeds and money held in reserves is a Common Expense as provided in this Declaration.

10.02. Plans. Any reconstruction or repair must be substantially in accordance with the ACT and in accordance with the Plans for the original improvements or as the Condominium Property was last constructed; or if not, then according to Plans approved by the Board of Directors of the Association and by one hundred percent (100%) of the Unit Owners.

10.03. Responsibility. If the damage is only to those parts of a Unit or Limited Common Elements for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for prompt reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

10.04. Estimate of Cost. If feasible and in the absence of an emergency requiring immediate action, after a casualty causing damage to the Condominium Property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

10.05. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of the Unit and Limited Common Elements by the Association, Assessments shall be made against the Unit Owners who own the damaged Property or have the exclusive right to use the Limited Common Elements attached to his Unit, and against all Unit Owners in the case of damage to common areas and facilities in sufficient

amounts to provide funds to pay the estimated costs. If any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, Assessments shall be made against the Unit Owners who own the damaged Unit and have exclusive right to use the Limited Common Elements attached to his Unit, and against all Unit Owners in the case of damage to common areas and facilities in sufficient amounts to provide funds for the payment of such costs. Such Assessments against Unit Owners for reconstruction and/or repair of damage to Units and Limited Common Elements shall be in proportion to the cost of reconstruction and repair of their respective Units or Limited Common Elements. Such Assessments for reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the Owner's share in the Common Elements. Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as provided for Assessments elsewhere herein.

10.06. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible, which shall consist of proceeds of insurance held by the Association as Insurance Trustee and funds collected by the Association from Assessment against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the following manner and order:

A. Disbursement. The construction fund shall be disbursed in payment of such costs of the order and in the manner provided by the Board of the Association.

B. Surplus. It shall be presumed that the first moneys distributed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund, or, at the discretion of the Board, such proceeds may be retained by the Association and placed in the Association's Reserve Fund as provided in Paragraph 7.14.

EMINENT DOMAIN

11.01. Proceeds. The taking of a portion of a Unit or of the Common Elements by eminent domain shall be deemed to be a casualty and the determination as to whether the Condominium will be reconstructed or repaired or continued after condemnation will be determined in the manner provided for in the ACT and under Reconstruction or Repair after casualty and the awards for such taking shall be deemed proceeds from insurance on account of the casualty and shall be deposited with the Association as Insurance Trustee. Even though the awards may be payable to a Unit Owner, the Unit Owner shall deposit the awards with the Association as Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association an Assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of such award shall be set off against the sums hereafter made payable to such Unit Owner.

11.02. Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the condemnation awards will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements. If the Condominium is not terminated after condemnation, the size of the Condominium Property will be reduced and the Property damaged by the taking will be made usable in the manner provided by the ACT and as provided below. The proceeds of such award shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Association after damage to the Common Elements.

11.03. Unit Reduced but Habitable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

A. Restoration of Unit. The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Unit does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against the Unit Owner as an Assessment.

B. Distribution of Surplus. The balance of the award, if any, shall be distributed to the Owner of the Unit and to any first Mortgagee of a Unit, the remittance being made payable jointly to the Unit Owner and any such first Mortgagee.

C. Adjustment of Shares in Common Elements. If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, the Common Expenses and the Common Surplus appertaining to the Unit shall be reduced in accordance with the ACT.

11.04. Unit Made Unhabitable. If the taking is of the entire Unit, or so reduces the size of the Unit that it cannot be used practically or lawfully for any purpose permitted by the Declaration, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium.

A. Payment of Award. The award shall be paid first to any first Mortgagee in an amount sufficient to pay off its mortgage on such Unit; and then jointly to the Unit Owner and other Mortgagees of the Unit in an amount not to exceed the market value of the Condominium parcel immediately prior to the taking as diminished by any sums from the award previously reserved for any first Mortgagee; and the balance, if any, to the repairing and replacing of the Common Elements damaged by the taking.

B. Addition to Common Elements. The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of

the Unit Owners in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required in this Declaration for further improvement of the Common Elements.

C. Adjustment of Shares in Common Elements, Common Expenses and Common Surplus. The shares in the Common Elements, the Common Expenses, and the Common Surplus appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Unit Owners. This adjustment shall be done by restating said share of the continuing Unit Owners as percentages aggregating one hundred percent (100%) so that the shares appurtenant to the Units of the continuing Owners shall be in the same proportions to each other as before the adjustment.

D. Assessments. If the balance of the award (after payments to the Unit Owner and such Owners' Mortgagees as above provided) for the taking is not sufficient to finance the alteration of the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all the Unit Owners who will continue as Owners of Units after the changes in the Condominium effected by the taking. Such Assessments shall be made in proportion to the shares of those Unit Owners in the Common Elements after the changes effected by the taking.

E. Arbitration. If the market value of a Condominium parcel prior to the taking cannot be determined by agreement between the Unit Owners, Mortgagees of the Unit, and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that arbitrators shall be two (2) appraisers appointed by the American Arbitration Association who shall base their determination on an average of their appraisals of the Condominium parcels; and a judgment of specific performance on the decision rendered by the arbitrators may be entered into any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Owners of Units prior to the taking in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

11.05. Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements, after adjustment of these shares on account of the condemnation, except that if a Condominium parcel is encumbered by a first mortgage, the distribution shall be paid jointly to the Owner and the first Mortgagee of the Condominium parcel.

11.06. Conflict with Act. If there is any conflict with the provisions of this article and the ACT, the provisions of the ACT shall control.

USE RESTRICTIONS

The use of the Condominium Property shall be in accordance with the provisions of this Declaration and with the following provisions so long as the Condominium exists.

12.01. Units. Each Condominium Residential Unit shall be occupied and used by a family, their employees, and guests only as a residence and for the furnishing of services and facilities herein provided for the enjoyment of such residence. The foregoing restrictions as to residence, however, shall not be construed in such manner as to prohibit a Unit Owner from:

- A. Maintaining his personal professional libraries;
- B. Keeping his personal business or professional records or accounts;
- C. Handling his personal business or professional telephone calls or correspondence.
- D. Leasing the Unit as provided for below.
- E. Such commercial uses found by the Board to be beneficial to the condominium property as a whole. (This provision also applies to Garage Units.)

Such uses are declared expressly customarily incidental to the principal residential use and not in violation of said restrictions.

12.02. Miscellaneous Restrictions.

- A. Nothing shall be stored in or upon the Common Elements or Limited Common Elements without prior consent of the Board except in storage closets or areas or as otherwise herein expressly provided;
- B. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance of any Unit or any part of the Common Elements or which will be in violation of any law;
- C. No waste shall be committed in or on the Common Elements.
- D. Each Unit Owner shall provide and maintain garbage and trash receptacles as may be directed by the Board, and all garbage and trash shall be kept in said receptacles.

E. No Unit Owner or occupant shall disturb or annoy other occupants of the Condominium Property nor shall any occupant or Unit Owner commit or permit any nuisance, noxious, offensive, immoral or illegal act in his Unit or on the Property.

F. Subject to Development Rights under this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accordance with the Board's direction.

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

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

I. Outdoor drying of clothes, bedding or similar items is not permitted.

J. Parking of vehicles in driveways and parking areas shall be subject to the Rules and Regulations of the Board applicable thereto.

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

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

M. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist.

N. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the Condominium Property concerned.

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

12.03. Pets. All animals or pets of any kind which shall be kept in any Unit or any Property of the Condominium shall be subject to the rules and regulations adopted for keeping such pets by the Board of Directors of the Association. No animals shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind, and if an animal or pet does cause or create a nuisance or an unreasonable disturbance, said animal or pet shall be permanently removed from the Property within three (3) days from the day the owner receives the written notice from the Board of Directors of the Association. The Owner of any pet or animal shall be liable for any and all damage caused by such animal or pet to any part of the Condominium Property or to any other Property operated by the Association. Dogs on the Condominium Property shall be leashed.

12.04. Employees. No employee, customer or patron of a Unit Owner shall be allowed either to use any of the facilities which are Common Elements of the Condominium Property or to use any of the Property owned or operated by the Association unless in the company of a Unit Owner as a social guest.

12.05. Use of Common Elements. The Common Elements shall be used in accordance with this Declaration and only by the Unit Owners and their agents, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to the use of the Units. However, other areas designated for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

12.06. Unrestricted Right of Transfer. The right of a Unit Owner to sell, transfer, or otherwise convey his Unit shall not be subject to any right of first refusal by the association or similar restriction.

12.07. Leases. Entire Residential Units may be leased or rented provided the occupancy is only by the lessee and his family and guests. No individual rooms may be rented. However, such lease agreements and the rights of any tenant thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Units and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board deems appropriate, including eviction. The lease and use of Garage Units is also subject to reasonable rules and regulations prescribed by the Board.

12.08. Regulations and Commercial Use. Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board of Directors of the Association. Copies of such regulations or amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium upon request.

12.09. Parking. Parking shall be subject to the rules and regulations of the Association.

12.10. No Restrictions on Mortgaging Units. Anything construed in any of the Condominium Documents to the contrary, there shall be no restrictions on the right of a Unit Owner to mortgage his Unit.

AMENDMENT

13.01. General. This Declaration, the Articles, and the By-Laws of the Association may be amended as provided in the Act upon the affirmative vote or agreement of the Unit Owners representing at least two-thirds (2/3) of the eligible allocated votes in the Association. Any amendment that would have a material adverse impact on mortgagees must be agreed to by mortgagees that represent at least 51 percent of the votes of Units that are subject to mortgages.

13.02. Written Instrument. Any such amendment shall be in writing and executed by the Secretary of the Association and recorded in the public records of Baldwin County, Alabama.

PURCHASE OF CONDOMINIUM UNIT BY ASSOCIATION

14.01. Decision. The decision of the Association to purchase a Condominium Unit shall be made by the Board of Directors without the approval of the Members except as provided in this Article.

14.02. Limitation. If at any time the Association is already the Owner of or has agreed to purchase one or more Condominium Units, it may not purchase any additional Condominium Units without the approval of Members holding seventy-five percent (75%) of the votes of those Members eligible to vote thereon, except to enforce the collection of assessments. A Member whose Condominium Unit is the subject matter of the proposed purchase shall be ineligible to vote thereon. Notwithstanding the foregoing, however, the foregoing limitations shall not apply to a Condominium Unit either to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent Assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefore does not exceed the cancellation of such lien. In any event, the Board of Directors, or a designee thereof, acting on behalf of the Association, may only purchase a Condominium Unit in accordance with this Article, or as the result of a sale pursuant to the foreclosure of:

- A. A lien on the Condominium Unit for unpaid taxes;
- B. A lien of a mortgage;
- C. The lien for unpaid Assessments; or

D. Any other judgment lien or lien attaching to such Condominium Unit by operation of law.

NOTICE OF LIEN

15.01. Notice of Lien. A Unit Owner shall give notice in writing to the Secretary of the Association of every lien on his Condominium Unit, other than liens for first mortgages, taxes, and special Assessments, within five (5) days after he receives notice of the attaching of the lien.

15.02. Notice of Suit. A Unit Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding that may affect the title to his Condominium Unit, with such notice to be given within five (5) days after the Unit Owner obtains knowledge thereof.

15.03. Failure to Comply. Failure to comply with this section will not affect the validity of any judicial proceeding.

RULES AND REGULATIONS

16.01. Compliance. Each Unit Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the rules and regulations applicable to the Condominium Property. Ownership of a Unit subjects the Unit Owner to compliance with provisions of the Declaration, the Articles, the By-Laws, the Rules and Regulations of the Association, and any contracts to which the Association is a party, as well as to any amendments to any of the foregoing. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to an action for damages or injunctive relief, or both, in addition to other remedies provided in the Condominium Documents and the Act.

16.02. Enforcement. The Association, through the Board of Directors, is hereby empowered to enforce the Condominium Documents and all rules and regulations of the Association by such means as are provided by the Act, including the imposition of reasonable fines (after reasonable notice and opportunity to be heard) from time to time as set forth in the By-Laws. In the event a Unit Owner fails to maintain his Unit in the manner required in the Condominium Documents and any rules and regulations of the Association, the Association, through the Board of Directors, shall have the right to assess the Unit Owner and the Unit for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, a Special Assessment therefor as provided in this Declaration. In addition, the Association shall have the right, for itself and its employees and agents, to enter such Owner's Unit and perform the necessary work to effect compliance.

16.03. Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect, or carelessness or by that of any

member of his family, his lessees, or his guests, invitees, employees or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or the Common Elements. The liability for such increases in insurance rates shall equal five (5) times the first resulting increase in the annual premium rate for such insurance.

16.04. No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, the Condominium Documents, or any rules and regulations adopted pursuant thereto shall not constitute a waiver of the right to do so.

GENERAL PROVISIONS PERTAINING TO MORTGAGES

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

- A. Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage.
- B. Any 60-day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the mortgage.
- C. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- D. Any proposed action that requires the consent of a specified percentage of mortgage holders.

17.02. Blanket Mortgages. The entire Condominium Property, or some or all of the Units included therein, may be subjected to a single or blanket mortgage constituting a lien subordinate to all other prior liens thereon created by a recordable instrument executed by all of the Owners of the Property or Units covered thereby. Any Unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. Any such mortgage shall provide a method whereby any Unit Owner may obtain a release of his Unit from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the reasonable proportionate share attributable to his Unit of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid. The proportionate share of the mortgage required to be paid for release shall be determined by provisions pertaining thereto stated in the mortgage, or, if the mortgage contains no such provisions, then according to the proportionate share of the common elements of the Condominium attributable to such Unit or Units.

17.03. Implied Consent. As to any action, including termination or an amendment to this Declaration, which requires the consent of a mortgagee or a majority of mortgagees, the approval of any such mortgagee may be implied if the mortgagee fails to submit a response to written notice of the proposed action within 60 days after it receives written notice of the proposal, provided the notice was delivered by certified mail or overnight courier with proof of delivery, and a "return receipt" has been delivered to the Board.

TERMINATION

18. The termination of the Condominium may be effected in accordance with the provisions of the Act and by agreement of Unit Owners of Units to which at least ninety percent (90%) of the votes in the Association are allocated. The agreement shall be evidenced by a written instrument executed in the manner required for a deed and recorded in the public records of Baldwin County, Alabama. After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares. Any action to terminate the Condominium must be agreed to by mortgagees that represent at least 51 percent of the votes of the Units which are subject to mortgages.

COVENANT AGAINST PARTITION

19. There shall be no judicial or other partition of the Condominium Property, or any part thereof, nor shall Developer or any Person acquiring any interest in the Property or any part thereof seek any such partition unless the Property has been removed from the provisions of the ACT.

MISCELLANEOUS

20.01. Intent. It is the intent of the Developer to create a Condominium pursuant to the ACT. In the event that the Condominium created by this Declaration shall fail in any respect to comply with the ACT, then the common law as the same exists on the filing date of this Declaration shall control, and the Condominium hereby created shall be governed in accordance with the laws of the State of Alabama, the By-Laws, the Articles, and all other instruments and exhibits attached to or made a part of this Declaration.

20.02. Covenants, Conditions and Restrictions. All provisions of the Condominium Documents shall to the extent applicable, and unless otherwise expressly therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein; and all of the provisions of the Condominium Documents shall be binding on and inure to the benefit of any Owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Unit Owners and Occupants shall be subject to and shall comply with the provisions of the Condominium Documents and any rules and regulations promulgated thereunder.

20.03. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration, the Articles, the By-Laws, any rules and regulations of the Association promulgated pursuant thereto, and any exhibits attached hereto, as the same may be amended from time to time, or the ACT, or the invalidity in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, sentence, clause, phrase, word or other provision shall not affect the remaining portion thereof.

20.04. Notice. The following provisions shall govern the construction of the Condominium Documents, except as may be specifically provided to the contrary herein: All notices required or desired under the Condominium Documents to be sent to the Association may designate from time to time by notice in writing to all Unit Owners. Except as provided specifically to the contrary in the ACT, all notices to any Unit Owner shall be delivered in person or sent by first-class mail to the address of such Unit Owner at the Condominium, or to such other address as he may have designated from time to time, in a writing to the Association. Proof of such mailing or personal delivery to a Unit Owner by the Association may be provided by the affidavit of the Person or by a post office certificate of mailing. All notices to the Association of a Unit Owner shall be deemed to have been given when delivered to the addressee in person or by a post office certificate of mailing of the date of the mailing.

20.05. Governing Law and Arbitration. Any dispute or litigation arising between any of the parties concerning matters, rights, or duties affected or determined by the Condominium Documents, such dispute or litigation shall be governed by the laws of the State of Alabama, and such dispute, disagreement, or question between the parties, including any between the Association and Developer, except a dispute concerning the filing or enforcement of a lien as provided for elsewhere in this Declaration, shall be submitted to arbitration under the Rules of the American Arbitration Association unless the concerned parties otherwise agree in writing. The arbitration shall render a decision which shall be binding on all parties to the arbitration, based on traditional and standard interpretation of the laws of the State of Alabama. Except as to the enforcement of liens, all parties subject to this Declaration forego all right to take legal action thereunder except to enforce any arbitration award, which award shall be a condition precedent to any right of legal action that any party may have against the other. It shall be deemed that each party who takes title subject to this Declaration stipulates that this Development and contracts arising from and related to the same have a substantial effect on interstate commerce.

20.06. Waiver. No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

20.07. Ratification. Each Unit Owner, by reason of having acquired ownership of his Condominium Parcel, whether by purchase, gift, operation of law or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents, and any Rules and Regulations promulgated thereunder, are fair and reasonable in all material respects.

The arbitration shall render a decision which shall be binding on all parties to the arbitration, based on traditional and standard interpretation of the laws of the State of Alabama. Except as to the enforcement of liens, all parties subject to this Declaration forego all right to take legal action thereunder except to enforce any arbitration award, which award shall be a condition precedent to any right of legal action that any party may have against the other. It shall be deemed that each party who takes title subject to this Declaration stipulates that this Development and contracts arising from and related to the same have a substantial effect on interstate commerce.

20.06. Waiver. No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

20.07. Ratification. Each Unit Owner, by reason of having acquired ownership of his Condominium Parcel, whether by purchase, gift, operation of law or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents, and any Rules and Regulations promulgated thereunder, are fair and reasonable in all material respects.

20.08. Captions. The captions used in the Condominium Documents are inserted solely as a matter of convenience and reference and shall not be relied on and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

20.09. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be awarded by the Court or Arbitrator.

This document may be executed in multiple counterparts each of which will constitute an original when taken and shall comprise the agreement as set out herein.

IN WITNESS WHEREOF, Island Winds East Association, Inc., has caused this instrument to be executed on this the 18th day of May, 2012.

Island Winds East Association, Inc.

By: J. Wilbert Jordan, Jr.
J. WILBERT JORDAN, JR.
Its: President

STATE OF Alabama)

COUNTY OF Mobile)

I, Angela H. Christian, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that J. Wilbert Jordan, Jr. whose name as President of Island Winds East Association, Inc., an Alabama nonprofit corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 18th day of May, 2012.



My Commission Expires:
NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Feb 9, 2015
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Angela H. Christian
Notary Public

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ATTEST:

_____(SEAL)
Chester Carr
Its: Secretary

CERTIFICATION OF ADOPTION

This is to certify that the above Amendment was approved in accordance with the provisions set out in the original Declaration by Unit Owners representing at least two-thirds (2/3) of the eligible allocated votes in the Association and the requisite consent of mortgage holders as required by original Declaration.

Island Winds East Association, Inc.

By: Chester Carr
Chester Carr
Its: Secretary

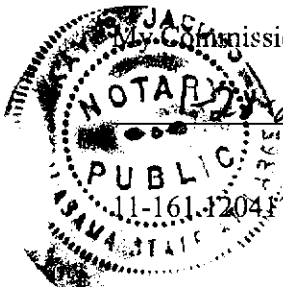
STATE OF Alabama)

COUNTY OF Montgomery)

I, Kay S. Jacobs, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Chester Carr, whose name as Secretary of Island Winds East Association, Inc., an Alabama nonprofit corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, _____, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 31st day of May, 2012.

Kay S. Jacobs
Notary Public



My Commission Expires:

11-16-2013

11-161-120417.amended.declaration

THIS INSTRUMENT PREPARED BY:

Jule R. Herbert Jr.
Herbert Law Firm LLC
Attorney at Law
P O Drawer 3889
Gulf Shores AL 36547
(251) 968-4764
jherbert@gulftel.com

EXHIBIT "A"

Parcel 1: Lots One (1), Two (2), Three (3), Four (4), Seventeen (17), Eighteen (18), Nineteen (19), and Twenty (20), all in Block Five (5), of Unit One (1), Gulf Shores, Alabama, according to a map thereof recorded in Map Book 1, page 148, of the records in the office of the Judge of Probate of Baldwin County, Alabama;

Parcel 2: That area of land bounded on the North by the South line of Lots One (1), Two (2), Three (3), and Four (4), in Block Five (5), as shown on a map of Unit One (1), Gulf Shores, Alabama, recorded in Map Book 1, page 148, of said records; on the East by the extension of the East line of Lot Four (4) to the Gulf of Mexico; on the South by the Gulf of Mexico; on the West by the extension of the West line of Lot One (1) to the Gulf of Mexico. This area hereby conveyed is restricted against the erection of any buildings whatsoever;

Parcel 3: That certain alley lying and being located between Lots One (1), Two (2), Three (3), and Four (4), and Lots Seventeen (17), Eighteen (18), Nineteen (19), and Twenty (20), of Block Five (5), of Unit One (1), Gulf Shores, Alabama, according to a map thereof recorded in Map Book 1, page 148, of said records.

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

ISLAND WINDS EAST ASSOCIATION, INC.

We, the undersigned natural persons acting as incorporators of a corporation under the Alabama Non-Profit Corporation Act (Act No. 578, 1955 Acts of the Legislature of Alabama, approved September 12, 1955, Title 10, Sec. 204, et seq., Code of Alabama Recompiled, as amended), and the Condominium Ownership Act (Act No. 1059, 1973 Regular Session, Alabama Legislature, approved September 17, 1973; Title 47, Sec. 313(1), et seq., Code of Alabama Recompiled, as amended), adopt the following Articles of Incorporation for such corporation.

I

NAME

The name of the corporation shall be "ISLAND WINDS EAST ASSOCIATION, INC."

II

PERIOD OF DURATION

The period of its duration is perpetual unless and until hereafter lawfully dissolved.

III

PURPOSE AND POWERS

This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the apartment units and the common areas and facilities within that certain condominium known as ISLAND WINDS EAST and to promote the health, safety and welfare of the residents within said condominium, and for these purposes to:

1. Exercise all of the powers and privileges and perform all of the duties and obligations of an association of unit owners as provided in the Condominium Ownership Act of Alabama, and as set forth in that certain Declaration and By-Laws applicable to the property and recorded or to be recorded in the office of the Judge of Probate of Baldwin County, Alabama, and as the same may be amended from time to time as therein provided, said Declaration and By-Laws being incorporated herein as if herein set forth at large and at length.

MSC. 39-AGE 1758

2. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith and all office or other expenses incident to the conduct of the business of the Association.
3. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the association.
4. Borrow money and, with the assent of a majority of the votes entitled to be cast at a meeting of the Association, mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.
5. Maintain the above mentioned condominium, and all improvements located thereon, make payments of taxes, insurance, repairs, and any other expenses necessary to the maintenance of said property as a condominium, and pay operating expenses of every kind and character whatsoever, and any other expenses necessary therefor, or beautify and make other desirable improvements from time to time as this corporation shall deem best.
6. Transact all business being not for profit consistent with the purposes for which the corporation is organized, and the proceeds of all operations of the corporation to remain with the corporation, to be used in the payment of all indebtedness that may be incurred by the corporation and for such other purposes as may be lawful.
7. Exercise all of the authorities and powers given and granted to an association of unit owners under and pursuant to the provisions of the Condominium Ownership Act of Alabama, which a corporation organized under the Non-Profit Corporation Law of the State of Alabama by law may now or hereafter have or exercise.

IV

MEMBERSHIP

This corporation shall issue no shares of stock of any kind or nature whatsoever. Every person or entity who is a record owner of a fee or undivided fee interest in any apartment unit in ISLAND WINDS EAST, a condominium, shall be a member of the Association. Membership shall be appurtenant

to and may not be separated from ownership of any apartment unit which is subject to assessment by the Association. The members shall enjoy such qualifications, rights and voting rights as may be fixed in the Declaration of ISLAND WINDS EAST, a condominium, and in the By-Laws of the corporation.

V

REGISTERED AGENT

The address of the initial registered office of the corporation is 1090 Industrial Parkway, Saraland, Alabama 36571, and the name of its initial registered agent at such address is Tillis M. Brett.

VI

BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

Tillis M. Brett	1090 Industrial Parkway Saraland, Alabama 36571
Thomas E. Brett	1090 Industrial Parkway Saraland, Alabama 36571
William T. Robinson, Jr.	1090 Industrial Parkway Saraland, Alabama 36571

VII

INCORPORATORS

The name and address of each initial incorporator of the corporation is as follows:

Tillis M. Brett	1090 Industrial Parkway Saraland, Alabama 36571
Thomas E. Brett	1090 Industrial Parkway Saraland, Alabama 36571
William T. Robinson, Jr.	1090 Industrial Parkway Saraland, Alabama 36571

VIII

DISSOLUTION

The corporation is not organized for pecuniary profit

REC. 39-JOE 1760

and no part of its net earnings shall inure to the benefit of any member, Director, or individual. The corporation shall be dissolved upon the termination of the condominium in the manner provided in the Condominium Ownership Act of Alabama, and in the manner provided by the Law of Alabama. Upon dissolution of the corporation, the assets of the corporation, if any, and all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided by the Condominium Ownership Act of Alabama.

IN WITNESS WHEREOF, the subscribers hereto have hereunto set their hands and seals this the 5th day of July, 1981.

Tillis M. Brett (SEAL)
Tillis M. Brett

Thomas E. Brett (SEAL)
Thomas E. Brett

William T. Robinson, Jr. (SEAL)
William T. Robinson, Jr.

STATE OF ALABAMA
COUNTY OF BALDWIN

Before me, Sandra L. Smith, a Notary Public in and for said County in said State, personally appeared Tillis M. Brett, Thomas E. Brett, and William T. Robinson, Jr., being known to me and who, being by me first duly sworn, depose and say that they are the initial incorporators of ISLAND WINDS EAST ASSOCIATION, INC.; that they are authorized to make this verification as such initial subscribers of the corporation, and that the facts contained in the above and foregoing declaration are true and correct.

Given under my hand this 5th day of July, 1981.

Sandra L. Smith
Notary Public

THIS INSTRUMENT PREPARED BY:

MICHAEL J. SALMON, ATTORNEY.
P. O. Box 162
Gulf Shores, Alabama 36542

STATE OF ALABAMA
BALDWIN COUNTY

I certify that this instrument was filed on

AUG 26 1981

and that the fee was collected. Recorded to Mar
Page 175 of 175 Pages of Proper
MM \$1.00 Index \$ 61 by JP

MISC. 39 AGE 1761

EXHIBIT "B"

BY-LAWS

OF

ISLAND WINDS EAST ASSOCIATION, INC.

1. IDENTITY.

These are the By-Laws of ISLAND WINDS EAST ASSOCIATION, INC., an association organized pursuant to the Alabama Uniform Condominium Act, 35-8A-101 et seq., *Code of Alabama*, as amended, for the purpose of administering ISLAND WINDS EAST, a Condominium, located in Baldwin County, Alabama.

1.01. The office of the Association shall be at Highway 182, P. O. Box 182, Gulf Shores, Alabama 36542..

1.0.2. The fiscal year of the Association shall be such as may from time to time be established by the Association.

2. MEMBERS' MEETINGS.

2.01. The annual meeting of the unit owners shall be held at the office of the Association at 7:30 p.m., the local time, on the third Friday in March of each year; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day following that is not a legal holiday.

2.02. Change of Date. The time of holding the annual meeting of members may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting by a resolution duly adopted by the Board of Directors or by the members, provided that such notice of change be mailed to each member of record at such address as appears upon the records of the Association not less than ten (10) days before the holding of such meeting; and further provided that each annual meeting of members shall be held within one (1) month of the date on which it should regularly have been held but for such change.

2.03. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast twenty-five percent (25%) of the votes in the Association.

2.05. Notice of all members' meetings stating the time and place and the objects for which a meeting is called shall be given by the President or Vice President or

Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

2.06. Voting shall be on a percentage basis and the percentage of the vote to which a member is entitled is the percentage assigned to the unit of which the member is an owner, as stated in the Declaration of Condominium.

2.07. A quorum at members' meetings shall consist of persons entitled to cast 40 percent of the votes which may be cast for election of the board are present in person or by proxy at the beginning of the meeting.

2.08. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before or at the appointed time of the meeting.

2.09. Vote required to transact business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide on any questions brought before the meeting, unless the question is one upon which, by express provision of the statutes, the Declaration of Condominium or the By-Laws, a different number is required, in which case the express provision shall govern and control the decision in question.

2.10. Adjourned meetings. Any meeting of the Association may be adjourned from time to time to such date and time as may be determined by the majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

2.11. The order of business at annual members' meetings and, as far as practical, at all other members' meetings, shall be:

- (a) Call to Order,
- (b) Calling of the roll and certifying of proxies,
- (c) Proof of notice of meeting or waiver of notice,
- (d) Reading and disposal of any unapproved minutes,
- (e) Report of Officers,
- (f) Reports of Committees,
- (g) Election of Directors, if an annual meeting,

- (h) Unfinished Business,
- (i) New Business,
- (j) Adjournment.

2.12. Cumulative Voting shall not be permitted at any meeting of the owners.

3. **BOARD OF DIRECTORS.**

3.01. Membership. The affairs of the Association shall be conducted by the Board of Directors, which shall consist of such number not less than three (3) nor more than five (5), with staggered terms, as shall from time to time be determined and affixed by a vote of the voting rights present at any annual meeting of the members. Each Director shall be an owner of a unit, except as provided in subparagraph 3.02(d) below.

3.02. Election of Directors shall be conducted in the following manner:

(a) Directors shall be elected at the annual meeting of the members of the Association.

(b) Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided for the election of the removed Director.

3.03. The term of each Director's services shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.04. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of organization meeting shall be necessary, provided a quorum shall be present.

3.05. 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. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or electronic means, at least three (3) days prior to the day named for such meeting.

3.06. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

3.07. Waiver of notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

3.08. A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or by these By-Laws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting from any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

3.09. The presiding officer of the Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their members to preside.

3.10. Directors shall serve without compensation, and a Director may not be an employee of the Association.

3.11. Members of the Board of Directors or any committee designated thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting. Any action to be taken by the Board of Directors which may be taken by meeting may also be taken without a meeting upon the unanimous written consent of all the members entitled to vote in respect to the subject matter of thereof and such written consent may be evidenced by notational voting by email with signatures affixed by electronic means. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any document filed with the Judge of Probate or Secretary of State.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

The Board of Directors, for the benefit of the owners, shall have the following powers and duties:

4.01. To exercise all of the powers of the Association with respect to the

operation and regulation of the condominium project which are conferred upon the Board by the Condominium Ownership Act or which may be conferred upon the Board by these By-Laws pursuant to such Act, and to exercise all of the powers of the Association which are conferred upon it by law and by its Articles of Incorporation.

4.02. To make contract and incur liabilities in connection with the exercise of any of the powers and duties of the Board.

4.03. To provide or cause to be provided all goods and services required by the By-Laws or by law, or which the Board, at its discretion, deems necessary for the proper operation of the condominium project, or which are used in common or jointly by the common elements and condominium units, in each case to the extent such goods and services shall not be otherwise provided.

4.04. To collect monthly assessments from the owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any owner.

4.05. To maintain a class action, and to settle a cause of action on behalf of owners with references to the common elements, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building as distinguished from mechanical elements serving only a unit; and to bring an action and to settle the same on behalf of two (2) or more of the owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one (1) condominium; all as the Board deems advisable.

4.06. To elect the officers of the Association and otherwise exercise the powers regarding officers of the Association as set forth in these By-Laws.

4.07. To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.

4.08. To employ a management agent or manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in this Section, and any such duties so conferred upon the managing agent or manager by the Board of Directors may at any moment be revoked, modified or amplified by the majority of the votes in a duly constituted meeting.

4.09. To procure such property and other insurance of all kinds and such fidelity bonds as the Board deems advisable covering officers and employees of the Association handling and responsible for the Association's funds and personal property, and to procure advisable; and the premium of such bonds and insurance shall be paid by the Association as common expense.

4.10. To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the condominium project, including the common elements, and to amend such administrative rules and regulations from time to time as the Board deems advisable.

4.11. To designate, by resolution passed by a majority of the whole Board, one (1) or more committees to consist of two (2) or more of the Directors. Any such committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of the full Board of Directors is required by law, the Articles of Incorporation and the Declaration or the By-Laws.

4.12. To designate, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, or by the President thereto duly authorized by a like resolution of the Board of Directors, or other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation. Membership on such committees may, but need not be limited to Directors of members of the Association.

4.13. All committees so appointed shall keep regular minutes of the transactions of their meetings, and shall cause them to be recorded in books kept for that purpose in the office of the Association, and shall report the same to the Board of Directors at the next meeting of such Board.

5. OFFICERS.

5.01. The executive officers of the Association shall be a President, who shall be a Director; a Vice-President, who shall be a Director; a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.02. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association.

5.03. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.04. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association as may be required by the Directors or the President.

5.05. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the financial records and books of account of the Association in accordance with good accounting practices; shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expense of the common area and facilities and any other expenses incurred; and he shall perform all other duties incident to the office of Treasurer. The records, books of account and the vouchers authorizing payments, shall be available for examination by a member of the Association at convenient hours of weekdays.

6. **FISCAL MANAGEMENT.**

6.01. Budget. The Board of Directors shall determine the common expenses of the Association and adopt a budget for each calendar year of such estimated common expenses, including a reasonable allowance for contingencies and reserves, less the unneeded fund balances on hand.

Within thirty (30) days after the adoption of a proposed budget for the condominium, the Board shall provide a copy of the budget and proposed assessments to all the unit owners, and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery or mailing of the budget to the unit owners. Unless at that meeting a majority of all the unit owners present, in person or by proxy or any larger vote specified in the Declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget is last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the Board.

6.02. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance and transmitted to each member as provided supra. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such Maintenance Fund Reserve may from time to time be increased or reduced at the discretion of the Board. The proportionate interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property

removed from the Alabama Uniform Condominium Act, any part of the said Fund remaining after full payment of all common expenses of the Association shall be distributed to all unit owners in the respective proportionate shares. Such assessments shall be due in monthly installments on the first day of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred twenty percent (120%) of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of the votes in the Association, and the amended assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Association.

6.03. Assessments for Capital Improvements. Upon written notice to all the unit owners and upon approval in writing by unit owners entitled to cast a majority of the votes of the Association, the Board may establish and maintain one (1) or more capital reserve accounts, but the assessment of and payment by all of the unit owners in equal monthly installments of their respective proportion shares of such reasonable annual amount, for such term of years as the Board may estimate as needed to cover each unit owner's obligation to provide for specified capital improvements, such as, by way of illustration and not limitation, the purchase of additional property, the paving or repaving of streets and areas, the construction or reconstruction of common elements and the like. Each such capital reserve account shall not be commingled with the general assessment funds of the Association, but shall be deposited in a special account, shall be earmarked and designated. The proportionate interest of each owner in each such capital reserve account cannot be withdrawn or separately assigned, but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the Condominium Ownership Act, any part of each such capital reserve account remaining after full payment of all common expenses of the Association shall be distributed to all unit owners in the respective proportionate shares.

6.04. Assessments for Emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefor to the unit owners concerned. After such notice and upon approval in writing of more than one-half ($\frac{1}{2}$) of such unit owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice thereof in such manner as the Board of Directors may require.

6.05. Acceleration of Assessment Installment Upon Default. If a unit owner

shall be in default in the payments of an installment upon any assessment, the Board of Directors may accelerate the remaining installments of such assessment upon notice thereof to the unit owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days delivery thereof to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.06. Default.

(a) In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required moneys in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior to the foreclosure, notice of such intention shall be mailed, postage prepaid, to the unit owner and to all persons having a mortgage lien or other interest of record in such unit as shown in the Association's record of ownership. The Association shall be entitled to the appointment of a Receiver, if it so requests. The Association shall have the right to bid on the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In any such foreclosure action, the lien of the Association shall be subordinate and inferior to tax liens in favor of the state, county, any municipality and any special district and any first mortgage liens of record encumbering such unit at the time of commencement of the foreclosure action by the Association. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the Association without waiving its lien securing the same. In any action either to foreclose its lien or to recover a money judgment brought by or on behalf of the Association against a unit owner, the losing defendant shall pay the cost thereof together with a reasonable attorney's fee.

(b) If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees, abstract or title insurance costs and expenses necessary for the repairing and refurbishing of the unit in question. All moneys remaining after deducting the foregoing items of expense shall be returned to the former owner of the unit in question.

6.07. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by check signed by such persons as are authorized by the Directors.

6.08. An audit of the accounts of the Association shall be made annually by a

certified public accountant, not a member of the Association, and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made.

7. **OBLIGATIONS OF THE OWNERS.**

7.01. **Assessments.** Every owner of any unit in the condominium shall contribute pro rata toward the expense of administration of the condominium as provided in the Declaration and in these By-Laws.

7.02. **Maintenance and Repair.**

(a) Every owner must perform promptly all maintenance and repair work within his unit, which, if omitted, would affect the condominium in its entirety or in a part belonging to other owners, and is expressly responsible for the damages and liabilities that his failure to do so may endanger.

(b) All the repairs of internal or appurtenant installations of the unit, such as water, lights, power, air conditioning, heat, sewage, telephones, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area, shall be maintained at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his fault.

7.03. **Use of Units.** Every owner shall comply strictly with the provisions of the Act, the Declaration, the By-Laws and the Rules. In the event of the failure of any owner to do so, the Association may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

7.04. **Right of entry.** The manager and any person authorized by the Board of Directors shall have the right to enter each unit in case of any emergency originating in or threatening such unit whether or not the owner or occupant, when so required, shall permit other unit owners or their representative to enter his unit at reasonable times for purpose of performing authorized installations, alterations or repairs to the common elements therein for central services, provided that requests for entry are made in advance.

7.05. **Title.** Every unit owner shall promptly cause to be duly recorded in the office of the Judge of Probate of Baldwin County, Alabama, the deed or other conveyance to him of his unit or other evidence of title thereto and file such evidence of his title with the Association, and the Secretary shall maintain such information in the record of ownership of the Association.

7.06. Mortgages.

(a) Any mortgagee of a unit may file a copy of its mortgage with the Association, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, the Association shall be required to notify the mortgagee of any unit owner who is in default in the expenses for the administration of the condominium and the mortgagee at its option may pay the delinquent expenses; and the holder of every such mortgage requesting the same shall be entitled to written notification from the Association of any default by mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within thirty (30) days.

(b) Unless all holders of first mortgage liens on units have given their prior written approval the Association shall not be entitled to:

(i) Change of pro rata interest or obligations of any unit for the purposes of levying assessments and charges, and determining shares of undivided interest in the common elements and proceeds of the project;

(ii) Partition or subdivide any unit or the common elements of the project; nor

(iii) By act of omission seek to abandon the condominium status of the project except as provided by statute in case of substantial destruction, deterioration or obsolescence to the units and condominium project.

8. AGENT TO RECEIVE SERVICE OF PROCESS.

The following person, who is a resident of the State of Alabama, is designated as agent to receive service of process upon the Association:

9. PARLIAMENTARY RULES.

Roberts Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Condominium Ownership Act, Declaration of Condominium or these By-Laws.

10. AMENDMENTS.

These By-Laws may be amended by the members of the Association in the same procedure as is set out in the Declaration for amendment of the Declaration of Condominium.

CERTIFICATION OF ADOPTION

This is to certify that the above Amendment was approved in accordance with the provisions set out in the original Declaration by Unit Owners representing at least two-thirds (2/3) of the eligible allocated votes in the Association.

ISLAND WINDS EAST ASSOCIATION, INC.

By: Chester Carr

Its: Secretary

ATTEST:

John Wilbert Jordan Jr

Its: President

STATE OF Alabama)

COUNTY OF Montgomery)

I, Kay S. Jacobs, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that

Chester Carr
whose names as ~~President and~~ Secretary of ISLAND WINDS EAST ASSOCIATION, INC., an Alabama nonprofit corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day, that being informed of the contents of said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 31st day of May, 2012

Kay S Jacobs

STATE OF Alabama)

COUNTY OF Mobile)

I, Angela H. Christian, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that J. Wilbert Jordan, Jr. and _____ whose names as President ~~and Secretary~~ of ISLAND WINDS EAST ASSOCIATION, INC., an Alabama nonprofit corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day, that being informed of the contents of said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 18th day of May, 2012.

Angela H. Christian
Notary Public

My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Feb 9, 2015
BONDED THRU NOTARY PUBLIC UNDERWRITERS

THIS INSTRUMENT PREPARED BY:

Jule R. Herbert Jr.
Herbert Law Firm LLC
Attorney at Law
P O Drawer 3889
Gulf Shores AL 36547
(251) 968-4764
jherbert@gulftel.com

EXHIBIT "C"
RULES AND REGULATIONS
ISLAND WINDS EAST

General Community Rules

1. The facilities of Island Winds East are for the exclusive use of apartment residents (owners and renters) and their invited guests.
2. No towels, swimming wear, laundry or other articles shall be hung on the balcony rails or other exterior portions of an apartment.
3. No one shall make or permit any noises that will disturb or annoy the occupants of any of the other units of Island Winds East or do or permit anything to be done which will interfere with the rights, comfort or convenience of others.
4. Each owner shall keep his unit in good state of preservation and cleanliness. All garbage and refuse shall be deposited with care in garbage chutes provided on each floor for that purpose.
5. The sidewalks, driveways and parking areas must not be obstructed, encumbered, or used for any purposes other than ingress and egress, and for parking. Automobile parking spaces have been provided for the use of residents and guests, and may upon occasion of high occupancy, be limited to no more than one parking space per bedroom in the respective apartment used. No vehicle shall be parked in such a manner as to impede or prevent ready access to other parking areas, or to access by emergency medical or fire equipment. No trailers, watercraft of any sort, campers or motor homes shall be parked on the property for more than 8 hours without specific approval of the Board of Directors. Washing of cars, boats and vehicles of any kind is prohibited.
6. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any unit owner on any part of the outside of the building, hung from or placed on windows, window sills, balconies or otherwise displayed, without the prior written consent of the Board of Directors. Very small tags attached to the door, identifying a unit owner, are allowed.
7. Unit owners are reminded that alteration and repair of the common elements is the responsibility of the association except for those matters which are stated in the Declaration to be the responsibility of a unit owner. No work of any kind is to be done upon or affecting those portions of exterior building walls or interior boundary walls which are the responsibility of the association without first obtaining the approval required by the Declaration of Condominium.
8. No radio or television antenna shall be attached to or hung from the exterior of any building without the written approval of the Board of Directors.
9. No barbecue or other open fires are permitted on any balcony. Such use would be a violation of State and Gulf Shores ordinances.
10. The association, its workmen, contractors or agents, shall have the right of access to any unit at any reasonable hour of the day for the purpose of making inspections, repairs, replacements or improvements, or to remedy any conditions which would result in damage to other portions of the building, or for any purpose permitted under the terms of the Declaration or the By-Laws. Except in cases of emergency, entry will be made by pre-arrangement with the owner. In the event the

Association finds there are vermin, insects or other pests within any unit, it may take such measures as it deems necessary to control and exterminate the same.

11. No one shall use or permit to be brought into any unit or upon any of the common areas and facilities any flammable oils or fluid such as gasoline, kerosene, naphtha, benzene or explosive materials, or other such articles deemed extra hazardous to life, limb or property without in each case, obtaining the written consent of the Board of Directors.
12. Complaints regarding the management of the condominium or regarding actions of other owners or persons shall be made in writing to the Board of Directors. The Association may assign to one or more persons, or to a manager, full responsibility for the enforcement of all or specified ones of these Rules and Regulations. Any complaint or dispute as to any of these Rules and
13. regulations, or as to any application or enforcement thereof shall be made in writing to the Board of Directors setting forth the nature of the matter complained of, and the names of all parties aggrieved and/or charged by reason of such matter. The Board of Directors may, in its sole discretion, decide the complaint without hearing. In the event the Board of Directors elects to have a hearing upon such complaint, not less than five (5) days notice thereof shall be given in writing to each person named in the complaint as aggrieved and/or charged, stating the date, time and place of such hearing. Proceeding before the Board of Directors shall be informal, without technical rules of evidence and each party aggrieved and/or charged shall be entitled to be present in person or by their attorney, and to be heard.
14. Unit owners are to keep window coverings (drapes and/or blinds facing the exterior) a uniform off white color.
15. All persons using the pool do so at their own risk. No life guard will be provided. The Association is not responsible for any accident or injury in connection with use of the pool or for any loss or damage to personal property. Persons using the pool area agree to not hold the Association liable for any actions of whatever nature occurring within the pool area.
16. Persons twelve (12) years of age or under must be accompanied at all times by an adult.
17. Except by prior arrangement with the Board of Directors, the number of persons in any one group in the pool at any one time shall not exceed the resident owner's or renter's family plus three (3) guests.
18. Residents (owners and/or renters) are responsible for the conduct of their guests at all times and for the careful observance of all safety and sanitation precautions. Any person having an apparent or known skin disease, sore or inflamed eyes, cough, cold, nasal or ear discharge, or any communicable disease shall be excluded from the pool.
19. No boisterous or rough play shall be permitted in the pool, or in the pool area. Swimming alone when no other person is in the immediate pool area is prohibited.
20. All persons are requested to cooperate in maintaining maximum cleanliness and tidiness in the swimming pool area.

21. Towels and/or other personal items shall not be used to reserve furniture in the swimming pool area. Any items left unattended for more than 10 minutes may be placed on the pool deck and the chair used by another person.
22. No glassware shall be brought to or used in the pool area or the entry terrace. No food is to be used in the pool area.
23. The pool will be closed from 10:00 p.m. to 9:00 a.m. and during such other times and seasons as may be decided by the Board of Directors.
24. Unit Owners pets shall not be allowed on the beach or in the pool area. Pets shall be walked in grass areas on the north side of the building, and then only when on a leash. Owners must clean behind pets. Renters are not permitted to have pets on the property or in any apartment unit.
25. Loud barking or other pet noises is prohibited and shall be considered and treated as a public nuisance.

Amendment and Enforcement

Any consent or approval given under these rules by any person designated as manager or any person or committee designated as being responsible for the enforcement of any of these rules and or/for the use of any common facility, shall be revocable at any time by the Board of Directors.

These rules are subject to amendment by the Board of directors and to the promulgation of further rules by the Board of Directors and or by the Association.

EXHIBIT D**Island Winds - East
Schedule of Undivided Interest**

Unit	Percent	Unit	Percent
1A1	1.599938	1C4	0.669018
1A11	1.599938	1C6	0.669018
2A1	1.599938	2C4	0.669018
2A11	1.599938	2C5	0.669018
3A1	1.599938	2C6	0.669018
3A11	1.599938	3C4	0.669018
4A1	1.599938	3C5	0.669018
4A11	1.599938	3C6	0.669018
5A1	1.599938	4C4	0.669018
5A11	1.599938	4C5	0.669018
6A1	1.599938	4C6	0.669018
6A11	1.599938	5C4	0.669018
7A1	1.599938	5C5	0.669018
7A11	1.599938	5C6	0.669018
8A1	1.599938	6C4	0.669018
8A11	1.599938	6C5	0.669018
		6C6	0.669018
1B2	1.064464	7C4	0.669018
1B3	1.064464	7C5	0.669018
1B7	1.064464	7C6	0.669018
1B8	1.064464	8C4	0.669018
1A10	1.064464	8C5	0.669018
2B2	1.064464	8C6	0.669018
2B3	1.064464		
2B7	1.064464	1D9	1.156519
2B8	1.064464	2D9	1.156519
2B10	1.064464	3D9	1.156519
3B2	1.064464	4D6	1.156519
3B3	1.064464	5D9	1.156519
3B7	1.064464	6D9	1.156519
3B8	1.064464	7D9	1.156519
3B10	1.064464	8D9	1.156519
4B2	1.064464	GARAGE	Percent
4B3	1.064464	UNIT G1	0.299502
4B7	1.064464	G2	0.299502
4B8	1.064464	G3	0.299502
4B10	1.064464	G4	0.299502
5B2	1.064464	G5	0.299502
5B3	1.064464	G6	0.299502
5B7	1.064464	G7	0.299502
5B8	1.064464	G8	0.299502
5B10	1.064464	G9	0.299502
6B2	1.064464	G10	0.299502
6B3	1.064464	G11	0.484908
6B7	1.064464	G12	0.299502
6B8	1.064464	G13	0.299502
6B10	1.064464	G14	0.299502
7B2	1.064464	G15	0.299502
7B3	1.064464	G16	0.299502
7B7	1.064464	G20	0.408412
7B8	1.064464	G21	0.299502
7B10	1.064464	G22	0.299502
8B2	1.064464	G23	0.299502
8B3	1.064464	G24	0.299502
8B7	1.064464	G25	0.299502
8B8	1.064464	G26	0.299502
8B10	1.064464		

Island Winds East Garages

Exhibit "E"

