DECLARATION OF CONDOMINIUM

OF

BAYSHORE TOWERS, A CONDOMINIUM

806023

State of Alabama. Baldwin County
I certify this instrument was filed
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2004 April -29 3:35PM

Instrument Number 806023 Pages 253
Recording 759.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

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STATE OF ALABAMA
COUNTY OF BALDWIN

DECLARATION OF CONDOMINIUM OF BAYSHORE TOWERS, A CONDOMINIUM

This Declaration Of Condominium of Bayshore Towers, a Condominium, (this "Declaration") is made on this the 28th day of April, 2004, by Bayshore Towers, L.L.C., a Louisiana limited liability company registered and authorized to do business in Alabama (the "Developer, " also referred to as "Declarant"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, *Ala. Code* §§ 35-8A-101 to 417 (the "Act"), for the purpose of forming a condominium and establishing certain rights, titles, easements, covenants and/or restrictions to run with the subject property.

RECITALS

The Declarant is the fee simple owner of certain real estate described in Article I below and located in the City of Orange Beach, Baldwin County, Alabama, hereinafter referred to as the "parcel."

The Declarant intends to and does hereby submit the parcel together with all the buildings, structures, improvements, and other permanent fixtures thereon, and all rights and privileges belonging or in any way pertaining thereto, to the provisions of the Alabama Uniform Condominium Act of 1991, §§ 35-8A-101, et seq., *Code of Alabama*. The condominium shall be known as BAYSHORE TOWERS, A CONDOMINIUM.

The Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the parcel or any part thereof, the condominium form of ownership; and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring an interest in the parcel shall hold that interest subject to the certain rights, easements, and privileges in the parcel, and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct, and maintenance of the property, as hereinafter set forth.

ARTICLE I

SUBMISSION OF PROPERTY: ADDITIONAL DEVELOPMENT

1.1 Development Property: Marina. The Declarant is the owner in fee simple of real property located in Orange Beach, Baldwin County, Alabama, more particular described on Exhibit "A" attached hereto and made a part hereof, and has improved and intends to further improve such property as described herein. The Declarant also has rights to construct and maintain a marina on certain submerged lands located offshore from the Property and described on Exhibit

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"A-1" attached hereto and made a part hereof (the "Marina Easement") and has constructed said marina as described herein.

1.2 Phase II Reserved. The Developer is the owner of certain real property located in Orange Beach, Baldwin County, Alabama, adjacent to the Property, more particularly described on Exhibit "B" attached hereto and made a part hereof (the "Phase II Property"), and may improve such property by constructing thereon additional Units and other improvements, which may be submitted to the condominium form of ownership by amendment to this Declaration, with the intent that such Phase II Property shall be administered as part of the Condominium and owners of Phase II Units shall enjoy the rights and privileges and amenities of the project. The property described on Exhibit "B" is not presently being submitted as a part of this project or to the condominium form of ownership.

1.3 Intent of Developer/Declarant. It is the intention of the Developer/Declarant upon recording this Declaration, to submit the Development Property with all improvements, easements (including without limitation the Marina Easement), rights and appurtenances thereunto appertaining to the condominium form of ownership and create with respect to the Development property a condominium to be known as Bayshore Towers, A Condominium (the "Condominium") and to impose upon the Property mutually beneficial restrictions under a plan for the benefit of all of the Condominium Units and the Owners thereof; to make provision for the development (either as a part of the Condominium operated and administered as part thereof, or as part of the Condominium operated and administered by Developer, its successors and assigns as described in ARTICLE IV hereof) or withdrawal by the owner from the Condominium project of the portion of the property described on Exhibit "B" attached hereto and made a part hereof (the "Reserved Phase II Development Parcel"); and to make provisions for the future submission, by amendment of this Declaration, of all or part of the Phase II Development Property and any improvements thereon and easements, rights and appurtenances thereunto belonging, to the condominium form of ownership to be added to the Condominium project in the manner provided in the Act, in the event and to the extent that Developer/Declarant, its successors or assigns, in its sole discretion determines.

1.4 Submission of Development Property. The Declarant, upon recording this Declaration, does submit the Development Property, together with the improvements thereon, owned by the Declarant in fee simple, together with the easements (including the Marina Easement), rights and appurtenances thereunto appertaining, to the provisions of the Alabama Uniform Condominium Act of 1991, *Ala. Code* §§ 35-8A-101 to 417 (1975), to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration and any amendments hereto, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Development Property and the division thereof into condominium ownership and all of which shall run with the land and shall be binding on all parties (and subsequent Owners as hereinafter defined, having or acquiring any right, title or interest in the Development Property or any part thereof, and shall be for the benefit of each Owner of any portion of said Development Property or any interest therein, and shall inure to the benefit of and be binding upon each successor-in-interest to the Owners thereof.

ARTICLE II

DEFINITIONS

2.1 Definitions. Certain terms as used in this Declaration shall be herein defined, unless the context clearly indicates a different meaning therefor, and shall be consistent with the means stated in the Act:

2.2 "Articles" shall mean the Articles of Incorporation of the Bayshore Towers Condominium Association, recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

2.3 "Act" shall mean the Alabama Uniform Condominium Act of 1991, *Ala. Code* §§ 35-8A-101 to 417 (1975), as the same may be amended from time to time.

2.4 "Assessment" means a proportionate share of the funds required for the payment of the common expenses which from time to time may be levied against each unit.

2.5 "Association" shall mean the Bayshore Towers Condominium Association, a nonprofit corporation organized pursuant to the Alabama Nonprofit Corporation Act, *Ala. Code* §§ 10-3A-1 to 225 (1975). A copy of the Articles of Incorporation of the Association are attached hereto as Part 1 of Exhibit "D" and made a part hereof.

2.6 "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected pursuant to the Bylaws of the Association.

2.7 "Building" shall mean all structures or improvements located on the parcel and forming a part of the condominium, irrespective of the phase.

2.8 "By-Laws" shall mean the By-Laws of the Association, a copy of which is attached hereto as Exhibit "D-2" and made a part hereof.

2.9 "Common Elements or Common Areas" shall mean:

(1) Any part of the Condominium Property other than the Private Elements which are held or designated for use by the Owners and shall include the following:

> (1) the Land, the foundations and footings, load bearing walls, perimetrical walls, structural slabs, columns, beams and supports, the roofs, lobbies, elevators, mechanical equipment, and storage areas designated as common, ramps, handrails, sidewalks, stairways and entrances and exits or communication ways, the compartments or installations of central services such as central air conditioning, ventilation, heating, power, light, electricity, telephone and television cable, gas, fire protection, security, cold and hot water, plumbing, reservoirs, water tanks and pumps, storm drains, sewer lines, flues, trash chutes, incinerators and the like, and all similar devices installations existing for common use, but excluding all

compartments or installations of utilities and services which exist for private use in the Private Elements, the premises and facilities, if any, used for the maintenance or repair of the Property, all common recreational facilities such as any game, entertainment, meeting or assembly rooms, exercise or fitness room, swimming pools and grounds, and surrounding areas, sun decks, yards and walkways, and marina (subject to the provisions of Sections 3.4), beach, sidewalk, boardwalk, retaining walls, bulkheads, lawn areas, landscaping, trees, curbs, roads, walkways, streets and parking lots, all easements, rights or appurtenances affecting or relating to the use of the Condominium Property unless specifically included in any Unit, all other elements (other than Private Elements) desirable or rationally for common use or necessary to the existence, upkeep and safety of the Condominium Property and furniture, appliances, equipment and any other personal property transferred or assigned by the Declarant to the Association or from time to time owned or leased by the Association and held for use in common by the Owners.

2.10 "Common Expenses" shall mean the expenses arising out of the operations and ownership of the Common Elements and Limited Common Areas and shall include, but not be limited to, expenses of administration of the Common Elements of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and Limited Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and any expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof, and such expenses and liabilities of the Association together with any allocation to reserves.

2.11 "Condominium Documents" shall mean this Declaration and all exhibits hereto, including the Rules And Regulations Of Bayshore Towers, A Condominium, Rules and Regulations applicable to Phase II only, the By-Laws and the Articles Of Incorporation of the Association, the By-Laws and Articles of Incorporation of Phase II Association, and the Plats and Plans, as same may be amended.

2.12 "Declaration Of Condominium" or "Declaration" shall mean this Declaration Of Condominium Of Bayshore Towers, A Condominium, as it may be amended from time to time.

2.13 "Developer" or "Declarant" may be used interchangeably and shall mean Bayshore Towers, L.L.C., a Louisiana limited liability company, authorized to do business in Alabama, and its successors and assigns, other than an "Owner", who shall receive by assignment from Bayshore Towers, L.L.C., all or a portion of its rights hereunder as the Developer, by an instrument expressly assigning such rights as the Developer to such assignee.

2.14 "Land" shall mean the parcels or tracts of real estate comprising the Condominium Property submitted to the provisions of the Act and this Declaration and by any amendment hereto.

2.15 "Limited Common Elements" or "Limited Common Areas" shall mean and include any area designated as Limited Common Elements by this Declaration and the

Condominium Documents including the Plat and Plans and any amendments thereto, and any areas defined in the Act as Limited Common Areas for the exclusive use of one or more, but fewer than all, of the Units. The Limited Common Elements shall include, among any other property so designated, marina slips, designated parking spaces, designated storage areas, balconies or terraces, wires, conduits, bearing walls, bearing columns, or any other fixture serving only a specific Unit. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Private Elements to which it was originally assigned as a Limited Common Element. No Limited Common Element shall be used for a commercial venture or purpose. The use of the marina and/or marina slips is subject to the terms and conditions of "The Riparian Easement of State Owned Submerged Lands" dated May 14, 2001 attached as Exhibit A-1.

2.16 "Limited Common Expenses" shall mean the expenses arising out of the ownership or the right to exclusive use of the Limited Common Elements and shall include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements, and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

2.17 "Members" shall mean and refer to the Association's members.

2.18 "Mortgage" shall mean a first lien mortgage on one (1) or more Units.

2.19 "Mortgagee" shall mean a holder of a Mortgage who has given notice to the Association that the Mortgagee is the holder of a Mortgage affecting all or any part of the Condominium Property as hereinafter provided.

2.20 "Owner" or "Unit Owner" shall mean and refer to every person or entity who is a record Owner of a Unit.

2.21 "Occupant" shall mean a person or persons in possession of a unit, regardless of whether that person is the unit owner.

2.22 "Plan"or "Plat" shall mean the "as-built" Plan and Plat showing the Private Elements, the Common Elements and the Limited Common Elements of the Condominium Property attached hereto as Exhibit "E", and made a part hereof for all purposes, as the same may be amended.

2.23 "Private Element" shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner. Each Private Element is identified in a diagrammatic floor plan of the floor on which it is situated as shown on the Plan, and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(1) The upper and lower boundaries extended to their planar intersections with the perimetrical boundaries as follows:

(a) the upper boundary shall be the plane of the lower unfinished surface of the ceiling;

(b) the lower boundary shall be the plane of the upper surface of the concrete floor slab which serves as the Unit's floor, excluding any floor covering such as carpeting, vinyl, hardwood or ceramic tile which are all deemed to be part of the Private Elements.

(2) The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows, glass doors and entry doors, and the unfinished interior surfaces of the exterior walls and party walls (excluding gypsum board, paint, wallpaper and light fixtures) extended to their planar intersection with each other and with the upper and lower boundaries which are all deemed to be part of the Private Elements.

Private Elements or Units shall include all non-structural interior partition walls located within the boundaries of the Private Elements except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, gypsum board, lath, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, kitchen cabinets, and water and sewage pipes located within the boundaries of the Private Elements and serving only the Private Element; and the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Private Element, including the individual air conditioning compressor(s) even though such equipment may be located outside the boundaries of the Private Element, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Private Element, and forming a part of any system serving one or more other Private Elements or the Common Elements, shall be deemed to be a part of such Private Element; and, provided further, that no bearing wall providing structural support and located within the boundaries of the Private Elements shall be deemed part of the Private Elements.

2.24 "Property" or "Condominium Property" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as it may be amended from time to time.

2.25 "Residential Unit" shall mean each Unit

2.26 "Rules And Regulations"shall mean the Rules and Regulations of Bayshore Towers, A Condominium, which are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents, a copy

of which are attached hereto as Exhibit "F" and made a part hereof for all purposes, as the same may be amended.

2.27 "Unit"or "Condominium Unit" shall mean the Private Elements as shown on the Plat and Plan together with the undivided interest in the Common Elements and Limited Common Elements, if any, assigned to each Unit as hereto provided.

ARTICLE III

DESCRIPTION OF IMPROVEMENTS

3.1 Identification Of Units. A Plat of the Property and improvements and a graphic description of the improvements in which the Residential Units are located, identifying each such Unit by a number so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements, and each Unit of Property and their relative locations and approximate dimensions, are set forth in the Plan and Plat attached hereto as Exhibit "E" and made a part hereof for all purposes.

3.2 Entrances and Balconies. Exterior entrances and balconies are Limited Common Areas as designated by the Plat and Plans and this Declaration. Each exterior entrance and balcony shall be deemed to be a Limited Common Element appurtenant to the Unit from which it is directly accessible. Each Unit Owner shall be entitled to an exclusive easement for the use of any exterior veranda directly accessible from such Owner's Unit, but such right shall not entitle an Owner to construct anything thereon nor to change any structural part thereof.

3.3 Reserved Parking Spaces and Storage Closets. Each parking space and storage closet or area indicated on the Plan and Plat in the section marked "Reserved" shall be a Limited Common Element, and shall be assigned to the Owner(s)of a designated Unit (such assignment to be made by Developer at the time a Unit is originally acquired from Developer and reassignment of such parking space and storage closet to be subject to the §35-8A-208 of the *Code of Alabama* and the Rules and Regulations), and such Owner shall be entitled to an exclusive easement, subject to the Rules and Regulations, for the use of the reserved parking space and storage closet so assigned to such Owner. Such Parking Space(s) and Storage Closets or area are appurtenant to the Unit assigned. The Parking Space that is appurtenant to a particular unit bears the same identification number as the Unit, preceded by the letter "P" which stands for "Parking." The Storage Room(s) that are particular to a particular Unit bears the same identification number as the Condominium Unit, preceded by the letter "S" which stands for "Storage." Exhibit "K" attached hereto and made a part hereof indicates the Unit to which each Parking Space and Storage Closet is appurtenant. Not withstanding the numbering system required to be filed with the Declaration of Condominiums, the Association shall assign a consecutive numbering system to each such marina slip, parking space, and storage unit which does not coincide with the Unit Owners' residential unit number as same will assist in insuring the privacy and security of the Unit Owners.

3.4 Marina Slips. The marina shall be a limited Common Area, and each marina slip designated on the Plat and Plans in the section marked "Reserved" is a Limited Common Element. One or more marina slips may be made appurtenant to a Residential Unit or any unit in a subsequent phase, should it be built, and the ownership of a unit is a predicate to having a marina slip or slips made appurtenant thereto. With respect to marina slips allocated as of the date hereof, Exhibit "J" attached hereto and made a part hereof indicates the Unit to which each such slip is allocated. The initial selection of the marina slip to be assigned to a given Unit to be in the sole discretion of Developer. The Owner of the Unit to which a marina slip is appurtenant shall be entitled to an exclusive easement for the use of such marina slip, such use to be subject to the Rules and Regulations. Marina slips shall be transferable from one Unit Owner to another in accordance with Section 35-8A-208 of the Act and subject to any other restrictions on transfer set forth in the Rules and Regulations. The particular Marina Slip that is appurtenant to a particular Unit bears the same identification number as the Condominium Unit, preceded by the letter "M" which stands for "Marina Slip." Not withstanding the numbering system required to be filed with the Declaration of Condominiums, the Association shall assign a consecutive numbering system to each such marina slip, parking space, and storage unit which does not coincide with the Unit Owners' residential unit number as same will assist in insuring the privacy and security of the Unit Owners.

3.5 Marina Easement. The marina is constructed on submerged lands adjacent to the Land, pursuant to the Marina Easement, which was granted to Developer by an assignment and an amended assignment of a Riparian Easement (the "Riparian Easement") and an Amended Riparian Easement granted by the State of Alabama (the "Grantor") on May 14, 2001 and April 14, 2004, respectively. The Riparian Easement and the Amended Riparian Easement have been assigned to Bayshore Towers, A Condominium, pursuant to an Assignment of Riparian Easement ("Assignment") dated April 10, 2004.

The Riparian Easement and the Amended Riparian Easement were recorded on April 28, 2004, at Instrument numbers 805543 and 805551, in the office of the Judge of Probate of Baldwin County, Alabama. The portion of the area covered by the Riparian Easement that is described on Exhibit A-1 constitutes the Marina Easement which is being hereby dedicated to the Condominium as a limited common element. The Riparian Easement specifies that, subject to the matters described, the easement is for an initial term ending on January 9, 2011 with the Grantee under the easement shall make application to renew the easement which shall be at the State of Alabama's sole discretion. The easement is subject to termination if the marina structure is substantially destroyed by catastrophic event or if a default under or breach of the easement terms is not corrected within 60 days after the Grantee has been notified of such default or breach. The Riparian Easement does not specify any right of Unit Owners to redeem any reversion thereunder, to remove any improvements after the expiration or termination of the Riparian Easement, or to renew the Riparian Easement. Additional terms and conditions of the Riparian Easement are applicable to the Marina Easement.

Annual payments to be made to Grantor pursuant to the Riparian Easement will be allocated between the portion hereby dedicated to the Condominium as a limited common element and that portion covered by the Riparian Easement but not hereby dedicated to the Condominium, based on the ratio of the number of square feet for each boat slip constructed in the area covered by the Marina Easement to the total number of square footage of the slips planned for the area covered by the Riparian Easement.

ARTICLE IV

DEVELOPMENT OF ADDITIONAL PROPERTY

4.1 Units on Additional Property. If Additional Property is developed and submitted to the Residential Condominium, it shall consist of Residential Units and each Unit shall be constructed of at least the same quality materials as original Units.

4.2 Common Elements on Additional Property. Any Additional Property which is submitted to the Act by amendment of this Declaration shall contain common elements consistent in nature with and complementary to those existing in the Phase I Property.

4.3 Amendment by Developer. All or part of the Additional Property may, from time to time, be added to and made subject to this Declaration by the execution, by the Developer alone, of an amendment to this Declaration, which amendment shall be recorded in the records of the Judge of Probate of Baldwin County, Alabama in accordance with Section 35-8A-210 and the other provisions of the Act.

4.4 Time Limit for Addition of Property. Nothing shall abrogate the right of the Developer to add Additional Property to the Condominium within four years of the date this Declaration of Condominium is filed for record with the Judge of Probate of Baldwin County, Alabama.

4.5 Additional Property Part of Condominium. Once Additional Property has been added to the project and submitted to the Act, it shall comprise a portion of the Condominium Property, and shall be governed by and subject to all of the provisions of the Condominium Documents to the extent that said documents are not inconsistent with the provisions of the amendment adding such Additional Property to the Condominium. If additional property is added to the project, any so added units shall enjoy the same rights and obligations in all the Common Elements as any preexisting phase. For further explanation on the reallocation of common interests, see § 6-7.2 herein.

4.6 Amendment Binding. Any person or entity who shall acquire any Unit in the Condominium or any interest in or lien upon any such Unit, regardless of whether said unit shall be located in the Property or is located on Additional Property subsequently added to the Condominium agrees to be bound by the terms and provisions of this Article IV and Article V hereof, and that any amendment to this Declaration executed by the Developer alone pursuant to Section 4.3 shall be binding and effective as written notwithstanding the fact that the undivided interest of the Unit Owners in the Common Elements and the allocation of Common Expenses may be changed thereby in accordance with the provisions of the Act.

4.7 Development at Discretion of Developer. Anything herein to the contrary notwithstanding, Developer does not hereby commit itself to submit all or any part of the Additional Property to the Act. Developer shall have the right, but not the obligation, to develop any portion of said property in any manner and to any extent the Developer sees fit, or to decline to develop said property entirely, and may sell, transfer or assign all or any part of the Additional

Property to any party in its discretion. Accordingly, to the extent that all or any part of the Additional Property is not submitted to the Act and not made a part of the Condominium, such Additional Property may be used by Developer and/or its successors and assigns for any legal use or purpose, whether or not such use is complementary to the Condominium.

ARTICLE V

ADDITIONAL DEVELOPMENT AND WITHDRAWAL OF RIGHTS

5.1 Additional Improvements. In the event that Developer elects to develop additional improvements, such additional improvements may be submitted to the Act and added to the Condominium by amendment of this Declaration in the same fashion and with the same effect as is provided for with respect to Additional Property in Article IV hereof, subject to the rights of Developer.

ARTICLE VI

SPECIAL AND OTHER DECLARANT RIGHTS

6.1 Amendment Of Condominium Plan. In addition to the development and withdrawal rights reserved by the Developer with respect to the Additional Property, the Developer reserves the right to change the interior design and arrangement of all Units, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Developer, or its affiliates or members, owns the Units so altered. Changes in the boundaries between Private Elements, as hereinbefore provided, shall be reflected by an amendment to the Plan and, if necessary, an amendment to this Declaration. If two (2) adjoining Units are combined by the Developer to make one (1) large Unit, the Association's assessments and the ownership interest in the Common Elements attributable to the combined Unit shall remain as though there are two (2) separate Units. An amendment to the Plan or this Declaration reflecting an alteration of the boundaries of the Units owned by the Developer must be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that, except as may be required in the case of addition of property to the Condominium in accordance with Section 35-8A-210 of the Act, any change which shall result in a change in the undivided interest in the Common Elements or the Limited Common Elements or a change in the share of the Common Expenses or the Limited Common Expenses with respect to Owners of Units other than the Developer at the time of such change or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Developer) may not be made without an amendment of this Declaration approved by the Owners and Mortgagees in the manner elsewhere required herein.

6.2 Right To Convert Unit Into Common Elements. The Developer expressly reserves the right until the sale of the last Unit in any phase to convert any Unit owned by Developer into Common Elements or Limited Common Elements, or both. This reserved development right may

be exercised with respect to all or any portion of the Condominium Property in any order and at any time. There is no limitation on this right.

6.3 Option To Increase Size Of Units And Walls. The Developer expressly reserves the right to increase the size of any Unit created by this Declaration and owned by the Developer and to increase the height of any wall on the Condominium Property without the consent of any Owner or Mortgagee. There is no limitation on this option to increase the size of the Units.

6.4 Use For Sales Purposes. All Units and the Common Elements shall be subject to the statutory right concerning sales and management offices and models in Units and the Common Elements in favor of the Developer provided in § 35-8A-215 of the Act. The Developer otherwise expressly reserves the right to use one (1) or more Units owned by the Developer as models, and any portion of the Common Elements or one (1) or more Units for management offices and/or sales and leasing offices. The Developer reserves the right to relocate offices and/or models from time to time within the Property. Upon relocation or sale of a model, the management office or sales office and the furnishings thereof may be removed by the Developer. The Developer further reserves the right to maintain on the Common Elements advertising signs in any location or locations and from time to time to relocate and/or remove the same, all in the sole discretion of the Developer.

6.5 Use By The Developer. Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors nor their use of the Condominium Property or application of this Declaration shall interfere with the completion of the contemplated improvements and sales of the Units in the Condominium until the Developer has completed all of the Developer's contemplated improvements and closed the sales of all of such Units. Subject to the rights of the Mortgagees hereunder, the Developer may make such use of the unsold Units and of the Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, management office and model units, the showing of the Condominium Property and the Units therein, and the display of signs thereon and therein. These special declarant rights shall exist so long as the Developer owns any Unit in the Condominium, holds any Unit in the Condominium for sale in the ordinary course of business, or leases any Unit it owns. The Developer expressly reserves the right to lease any Unit which it may own in the Condominium Property on such terms as it may deem proper and desirable and may transfer Units subject to such lease, including leasing such Unit(s) to the Association for use as a management, sales, or leasing office.

6.6 Easement By The Developer To Adjacent Properties. The Developer, its successors and assigns, reserves a perpetual nonexclusive easement for access, ingress and egress in, over and through all roads, access routes, parking areas, and other Common Areas for its guests, licensees, lessees, customers and employees to and from any adjacent and contiguous property for the purpose of real estate sales, leasing, management and marketing activities which may be reasonably necessary for the Developer, its successors and assigns, to conduct its business. This perpetual easement shall specifically include, without limitation, access to and from Additional Property and the Reserved Parcel. Additionally, the Developer, its successors and assigns, may designate one or more locations in any wall, fence, or partition

located on or around the perimeter of the Condominium Property to be used for access to and from any adjacent or contiguous property. All right, title and interest of the Developer in and to this perpetual easement may be assigned or conveyed without the prior permission or approval of the Association to any successor or assign of Developer.

6.7 Development Rights.

6.7.1 Order and Extent of Exercise. Developer's rights to add Additional Property to the Condominium and to reserve rights with respect to a Phase II Reserved Parcel as described in Article IV and the Developer's rights with respect to the Reserved Parcel as described in Article V may be exercised at different times, and no assurance is made as to the boundaries of the portions of the Additional Property or the Reserved Parcel or the Phase II Reserved Parcel in which such rights may be exercised, or as to the order in which all or a portion of the Additional Property or the Reserved Parcel or the Phase II Reserved Parcel may be subjected to the exercise of Developer's rights with respect thereto. The exercise by Developer of its development rights in any portion of the Additional Property or the Reserved Parcel or the Phase II Reserved Parcel, however described, shall not obligate Developer to exercise such right in any other portion of such real estate.

6.7.2 Reallocation of Interests. If Units are added to or withdrawn from the Condominium in accordance with the provisions of this Declaration, reallocation of undivided interests in the Common Elements and Common Expenses among all Units included in the Condominium after the addition or withdrawal shall be in proportion to the relative sizes of Units, based on the floor area of each Unit and any appurtenant entrances and balconies, with one square foot of entrance and balcony area to be calculated as equivalent to one-half square foot of interior (heated and cooled) area.

6.7.3 Voting. Notwithstanding the foregoing, each Unit shall have one vote in an Association.

ARTICLE VII

EASEMENTS

7.1 Easements And Restrictions. The Private Elements, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Private Elements, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. Said Private Elements, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property, which easements and restrictions are described on Exhibit "G" attached hereto and made a part hereof for all purposes.

7.1.1 Utility Easements. Utility easements are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone and cable television) in order to adequately serve the Condominium Property.

7.1.2 Utility Equipment. There may be utility equipment located on the Common Elements appurtenant to some Units. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by the Developer and the Owners of the appurtenant Unit; provided that no utility equipment shall be placed in any part of the Common Elements or Limited Common Elements other than its present location unless the written approval of the Association shall have first been obtained.

7.1.3 Easements For Ingress and Egress. The Common Elements shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement of way over all roads, parking areas, except assigned parking spaces and areas, walkways, halls, stairways, elevators, piers and other Common Areas, in favor of all Owners and the Developer for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners and the Developer, subject to all restrictions in the Condominium Documents. The Limited Common Elements shall be subject to a nonexclusive easement in favor of the Association for repair, service and other uses reasonably intended or required by the Association.

7.1.4 Easement For Use Of Leased Or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise, for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules And Regulations.

7.1.5 Easements For Encroachments. To the extent that any Private Element, Common Element or Limited Common Element encroaches on any other Private Element, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Private Element, Common Element or Limited Common Element stands. A valid easement shall not relieve an Owner of liability of such Owner's or such Owner's agent's negligence or intentional acts in cases of willful and intentional misconduct by an Owner or an Owner's agents or employees. In the event any Unit, any adjoining Unit, or any adjoining Common Elements or Limited Common Elements 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 constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any of the other Private Elements, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

7.1.6 Easement Of Support. Each Private Element, Common Element and Limited Common Element shall have an easement of support from every other Private Element, Common Element, and Limited Common Element which provide such support.

7.1.7 Easements Appurtenant To Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as herein provided even though no special reference to such easements and rights appear in such instrument; provided that the easements specified in Sections 3.3 and 3.4 with respect to reserved parking spaces and marina slips shall be assignable separately from the Unit to which such easement is appurtenant, if and to the extent permitted in such Sections and in the Rules and Regulations. The Owners do hereby designate the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

7.2 Ownership Of Common Elements And Limited Common Elements. Each Owner shall own an undivided interest in the Common Elements and Limited Common Elements with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements and Limited Common Elements for all purposes incident to the use and occupancy of the Owner's Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Unit.

The extent or amount of such ownership shall be expressed by a percentage relating to each Unit as set forth on Exhibit "H" attached hereto and made a part hereof for all purposes, and shall remain constant, unless changed in accordance with the provisions hereof, including without limitation those relating to addition of property to the Condominium, or by the unanimous approval of all Owners and Mortgagees. The Owners of Units with Limited Common Elements which are appurtenant to such Unit as designated or described on the Plan attached hereto shall have the exclusive right to use such Limited Common Elements so designated or described except as limited by "Riparian Easement of State-Owned Submerged Lands" (See Exhibit A-1) and unless changed by the Developer as permitted herein or by the unanimous approval of the Owners and their respective Mortgagees. Each Owner of a Unit to which a Limited Common Element is appurtenant shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of such Owner's Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units to which the Limited Common Elements are attached. The percentage of right in any class of Limited Common Element (i.e. marina slip, parking space/storage area) assigned to a Condominium shall be delineated in Exhibit "H-1" attached hereto and made a part hereof.

ARTICLE VIII

ORGANIZATION AND MANAGEMENT

8.1 Management Of The Condominium Property. The operation and administration of the Common Elements and the Condominium Property shall be performed by the Association.

The powers and duties of the Association shall include those set forth in the Act, the Alabama Nonprofit Corporation Act, *Ala. Code* §§ 10-3A-1 to 225 (1975), this Declaration, the Articles of Incorporation attached hereto as Exhibit D-1 and the By-Laws.

8.2 Members. The Members of the Association shall constitute all record Owners of the Units. Change of membership in the Association shall be established by recording in the records of the Judge of Probate of Baldwin County, Alabama, the deed or other instrument establishing record title to a Unit of the Condominium Property, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations. Votes on matters decided by vote of the Members shall be cast in the manner provided in the Articles and Bylaws of the Association. Each Unit shall be allocated one (1) vote.

8.3 By-Laws. The By-Laws of the Association shall be in the form attached as Exhibit "D-2" to this Declaration, and made a part hereof for all purposes, and may be amended from time to time as set forth therein.

ARTICLE IX

ASSESSMENTS

9.1 Liability Lien And Enforcement. The Association is given the authority to administer the operation and the management of the Common Elements and Limited Common Elements and Condominium Property. The Association is hereby granted the right to make, levy, and collect assessments against the Owners of all Units to pay Common Expenses and a separate amount to those unit owners with Limited Common Elements appurtenant to their unit(s) and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

9.2 Assessments. All assessments for the payment of Common Expenses whether to Common Elements or Limited Common Elements shall be levied annually and paid monthly by the Owners of all Units affected, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and each Owner's Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements and/or Limited Common Elements appurtenant to said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance in monthly installments commencing on the date of the purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors in accordance with the Association's By-Laws.

9.3 Annual Budget. Within sixty (60) days prior to the beginning of each fiscal year of the Association, the Board of Directors shall adopt a proposed annual budget for such fiscal year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefore if the Board of Directors shall so provide, in accordance with the Act and this Declaration. The budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors, copies of said budget shall be made available to each Member. The Board of Directors shall set a date for a meeting of the Members to consider ratification of the budget not less than thirty (30) nor more than sixty (60) days after mailing or delivering the budget to the Members. Unless at such meeting a majority of the Members present in person or by proxy reject the budget, the budget shall be deemed ratified. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time as a new budget is ratified. If the budget is ratified, the assessment for said year shall be established based upon such budget.

Should the Board of Directors at any duly called meeting of the Board of Directors determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and nonpayment of any Owner's assessment, the Board of Directors shall have the authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act. The initial projected and estimated annual maintenance budget for the Condominium Property is attached to this Declaration as Exhibit 'I' and made a part hereof for all purposes.

9.4 Omission Of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

9.5 Records. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Member or Member's representative at convenient hours on weekdays in a location designated by the Board of Directors in Mobile or Baldwin County, Alabama.

9.6 Payment Of Common Expenses And Limited Common Expenses By Unit Owners. All Unit Owners shall be obligated to pay the assessment for Common Expenses and/or Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Declaration subject to the provisions of the Rules and Regulations. No Unit Owner may be exempted from liability, for such Unit Owner's contribution toward Common Expenses and/or Limited Common

Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of an Owner's Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against such Owners Unit subsequent to a sale or other conveyance by the Owner of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against such Unit or Limited Common Element appurtenant to such Unit up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Declaration, the Association, upon written request of the Owner or purchaser of such Unit, shall furnish to the Owner, the purchaser or any proposed Mortgagee (within the title period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be applied by the Purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before application of the payment to the selling Unit Owner. Any unit owner who has a slip or slips appurtenant to their unit(s) wishes to install appliances (i.e. lift, cleats, storage box, etc) or other amenities to their slip(s) or the area immediately adjacent thereto such Owner shall first obtain permission from the Association's Board of Directors and may be charged an additional amount for utilities or other costs associated with the desired addition. In the event of damage or destruction of a slip or slips at no fault of the slip owner his/her agent, servant, employee, guest or invitee the cost of repair or replacement shall be borne by the unit owners who have the right to the limited common elements either from the funds held by the association from the fees generated from the owners of units to which slip(s) are appurtenant or from a special assessment of such owners. In the event a slip has been enhanced by the installation of appliances or other non-Association provided amenities(i.e. lifts, cleats, etc.) The unit owner assigned such slip shall be solely responsible for such appliance and/or amenities repair or replacement irrespective or fault in its destruction or damage. In the event there is damage to the Limited Common Elements for which a special assessment has been levied to repair and/or replace such damage and a unit owner to whom such assessment is properly made fails to pay within the time set by the Board of Directors the Board shall make the repair and/or replacement and file a lien on the unit(s) of the Owner(s) to which the slip(s) is/are appurtenant or take such other action the Board deems advisable to collect the assessment. In the event an authorized appliance or other authorized amenity has been added to a slip is damaged or destroyed and the unit(s) owner(s) fails to repair or replace same for a period of thirty (30) days from notice in writing to said unit owner(s) from the Association the Board of Directors may replace or repair same and cause a special assessment to such unit(s) owner(s) and enforce same as any special assessment.

9.7 Default In Payment Of Assessments. The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment

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thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the rate established by the Board of Directors not to exceed the maximum interest rate per annum allowed by law, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said Lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Owner of each Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees and court costs incurred by the Association in collecting delinquent assessments and enforcing the same upon said Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements.

The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest, at the maximum legal rate on judgments or the rate established by the Board of Directors, whichever is greater, on any such advance made for such purpose. 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 rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

The lien herein granted to the Association shall be effective from and after the time of the recording of this Declaration in the Office of the Judge of Probate of Baldwin County, Alabama, and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules And Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

9.8 Election Of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it, nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution or a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the Lien enforced.

9.9 Surplus Funds. Surplus funds of the Association remaining after payment of or making provisions for Common Expenses and establishing any reserves may in the discretion of the Board of Directors either be renamed to the Unit Owners pro rata in accordance with each Unit Owner's Common Expense Liability or be credited on a pro rata basis to the Unit Owners

to reduce each Unit Owner's future Common Expense Assessments or may be added to any contingency or other reserve funds maintained by the Association.

ARTICLE X

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

10.1 The Association's Obligation To Repair. The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the costs of which shall be charged to all Unit Owners as a Common Expense:

(A) the Common Elements which by definition excludes the surfaces of all interior walls, floors, ceilings, entrance doors, and windows of the Units (except the painting of the exterior faces of the exterior doors, windows, shutters or blinds, which shall be the responsibility of the Association);

(B) incidental damage caused to a Unit by any work done by the Association;

(C) portions of all Units contributing to the support of the building, the outside walls and load bearing columns, excluding, however, interior wall and floor surfaces; and

(D) the Limited Common Elements, (provided that tile, carpet or other floor coverings on exterior entry way into a unit and balcony shall be maintained by and at the expense of the Owner of the Unit to which such entry way into a unit and balcony is appurtenant).

This section shall not relieve a Unit Owner of liability for damage to the Common Elements or Limited Common Elements caused by the Unit Owner, the Unit Owner's family members, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Unit Owner, the Unit Owner's family, members, guests, invitees, lessees or licensees shall be a special assessment against the Unit Owner responsible therefor.

10.2 Each Owner's Obligation To Repair.

(A) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each Owner shall, at such Owner's expense, maintain the Private Elements attributable to such Owner's Unit in good and tenantable condition and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in such Owner's Unit:

(1) Fixtures and equipment in such Owner's Unit, including the refrigerator, stove and all other appliances within the Unit; drains, sinks, plumbing and plumbing fixtures and connections within the Unit; electrical panels, wiring, outlets, and electrical fixtures within the Unit interior doors, window frames, screening and glass; all exterior doors (except the painting of the exterior faces of the exterior doors and windows, which shall be the responsibility of the

Association); all wall coverings including paint, wallpaper and light fixtures; and all flooring including carpeting, vinyl and ceramic tile within a Unit; and

(2) plumbing, heating, and conditioning and electrical system, whether located within or without a particular unit or on common property, serving only that Unit, including the fuse boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems.

In the event any such system or a 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 therefor.

(B) Each Unit Owner agrees as follows:

(1) to perform all maintenance, repairs and replacements which are the Unit Owner's obligations under subparagraph (A) of this Section and the proviso to subparagraph (D) of Section 10.1;

(2) to pay all utilities as herein provided and all taxes levied against the Owner's Unit;

(3) not to make or cause to be made repairs to any plumbing, heating, ventilation or air conditioning system located outside the Owner's Unit, except those required to be maintained by such Unit Owner as elsewhere provided and only to have licensed plumbers or electricians authorized to do such work by the Association or its delegate;

(4) not to make any addition or alteration to such Unit Owner's Unit or to the Common Elements or Limited Common Elements or to do any other act if such addition, alteration or act would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner or Declarant, unless the prior written consent of the Association and all Unit Owners affected has been obtained.

(5) not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, excluding any alteration or addition made pursuant to the procedure described in subparagraph (4) above and including, but not limited to, altering in any way exterior doors, windows, or the exterior faces of the exterior doors or windows, affixing outside shutters to windows or painting any part of the exterior of an Owner's Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, who shall comply with all Rules And Regulations with respect to the work which may be adopted by the Association and the Unit shall be liable for all damages to another Unit or to the Common Elements or 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; and

(6) to promptly report to the Association any defects or needed repairs for which the Association is responsible.

(C) The Association shall be obligated to answer any request by a Unit Owner for any required approval or a proposed addition, alteration or improvement (by painting or otherwise) within sixty (60) days after such request, but its failure to do so within the stipulated time shall not constitute the consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Association, without, however, its incurring any liability on the part of the Board of Directors or any one (1) of' them or the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this section shall in no way make the Association liable for any alterations, additions, or improvements by any Unit Owner. Rather, such review is for purposes of aesthetics and control only. The provisions of this section shall not apply to Units owned by the Developer until a deed for such Unit has been delivered to a purchaser other than the Developer.

10.3 Alterations, Additions And Improvements By The Association. Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Articles of this Declaration, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements which is in accordance with this Declaration unless the same is authorized by the Board of Directors and ratified by the affirmative vote or written authorization of the members casting not less than two thirds percent of the total votes of the Members of the Association by proxy at any meeting of the Members called for that purpose. The cost of the foregoing shall be assessed against the Owners of Units as provided herein except as otherwise provided in this section. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Unit Owners exclusively, or substantially exclusively, benefitting therefrom, and the assessment shall be levied in such proportions may be determined to be fair and equitable by the Board of Directors. Where such alterations or additions exclusively, or substantially exclusively, benefit Unit Owners requesting the same, said alterations and additions shall be made only when authorized by the Board of Directors and ratified by not less than two thirds percent of the total Members exclusively, or substantially exclusively, benefitting therefrom. Alterations, improvements or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation if the same is necessary and in the best interest of the Members.

10.4 Utilities. Each Unit Owner shall be required to pay all charges for utilities, including but not limited to electricity, gas, cable television, and telephone service, used or consumed in an Owner's Unit. The utilities serving the Common Elements only shall be separately metered and paid by the Association as a Common Expense. The Association shall

have authority to pay the cost of the utilities used or consumed in the Units and have the costs thereof apportioned among the Units based upon use of the utility or any other formula the Association may deem appropriate.

ARTICLE XI

RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

11.1 Rules And Regulations of Bayshore Towers, A Condominium. The Association is authorized to promulgate, amend and enforce the Rules And Regulations, a copy of which is attached hereto as Exhibit "F", concerning the operation and use of the Condominium provided that such Rules And Regulations are not contrary to or inconsistent with the Act and the Condominium Documents. A copy of the Rules And Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time they become effective. All present and future Unit Owners, tenants, occupants, and any other persons who use any part of the Condominium Property in any manner, are subject to, and shall comply with the provisions of the Condominium Documents and the Rules And Regulations regarding their type of units. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any person shall constitute such person's agreement to be subject to and bound by the provisions of the Condominium Documents and the Rules And Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by an Owner, an Owners family members, guests, invitees, lessees or renters, including the payment of penalties for such violations.

11.2 Restrictions On Use. The use of the Condominium Property is subject to the following restrictions:

(A) Each Residential Unit is hereby restricted to residential use and the parking spaces shall be used exclusively for the parking of passenger automobiles.

(B) There shall be no obstruction of the Common Elements or Limited Elements, nor shall anything be kept or stored in the Common Elements or Limited Common Elements, nor shall anything be constructed on or planted in or removed from the Common Elements or Limited Common Elements, nor shall the Common Elements in any other way be altered without the prior written consent of the Association. Blinds or shutters located on the exterior of a Unit may not be painted or altered by the Unit Owner. No limited Common Element shall be used for commercial or business activity.

(C) No immoral, improper, offensive or unlawful use shall be made of any Unit or Common Elements or Limited Common Elements, or any part thereof, and all laws,

zoning ordinances and regulations of all governmental authorities having jurisdiction over the Condominium Property shall be observed.

(D) No Owner shall permit anything to be done or kept in an Owner's Unit or in the Common Elements or Limited Common Elements which will result in any increase of fire or hazard insurance premiums or the cancellation of insurance on any part of the Condominium Property, or which would be in violation of any law. No waste shall be committed to the Common Elements or Limited Common Elements.

(E) No sign of any kind shall be displayed to the public view on or from any part of the Condominium Property, without the prior written consent of the Board of Directors, except signs temporarily used by the Developer in the selling or leasing of the Units.

(F) No noxious or offensive activities shall be carried on, nor shall any outside lighting or sound speakers or other sound producing devices be used, nor shall anything be done, on any part of the Condominium Property which, in the judgment of the Board of Directors, may be or become an unreasonable annoyance or nuisance to the other Owners.

(G) No Owner shall cause or permit anything to be placed on the outside walls of an Owner's Unit, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of any building or any part thereof, without the prior written consent of the Board of Directors.

(H) No clothes, sheets, blankets, towels, laundry of any kind or other articles shall be hung out or exposed on balconies, railings, furniture or on any part of the Common Elements or Limited Common Elements. The Common Elements and Limited Common Elements shall be kept clear of rubbish, debris and other unsightly materials.

11.3 Right Of Access. Each Unit Owner grants an irrevocable right of access to such Owners Unit to the Association, and to any other person authorized by the Association for the purpose of making inspections and for the purpose of correcting any condition originating in an Owner's Unit and threatening other Units, Common Elements or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within an Owner's Unit, if any, or to correct any condition which violates the provisions of any Mortgage covering another Unit, or to enforce any provision of the Condominium Documents, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. Each Unit Owner further grants a right of access to such Owner's Unit to the Developer and/or the Developer's agent for the purpose of making all repairs required by any warranty delivered to the Unit Owner at the closing of an Owner's Unit. To the extent that damages ate inflicted on the Common Elements, Limited Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if it causes the same, shall be Liable for the prompt repair thereof.

11.4 Limitation Of Liability. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds or problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Unit for the loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for any reason, except by action taken by the Board of Directors in accordance with the By-Laws.

11.05 Abatement Of Violations. The violation of any Rule or Regulation adopted by the Board of Directors or breach of the provisions of the Condominium Documents, shall give the Developer, the Association, or any Unit Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including court costs, attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner, upon all of such defaulting Owner's additions and improvements thereto and a security interest under the Alabama Uniform Commercial Code upon all of such defaulting Owner's personal property in such defaulting Owner's Unit or located elsewhere on the Condominium Property. Nothing herein contained shall prevent an Owner from maintaining such an action or proceeding against the Association and the expense of any action to remedy a default of the Association shall be a Common Expense if a court of competent jurisdiction finds the Association to be in default as alleged in such action or proceeding.

11.06 Failure Of The Association To Insist On Strict Performance; No Waiver. Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors.

ARTICLE XII

RIGHTS OF MORTGAGEES

12.1 Notification Of Mortgagees Required. Any Mortgagee shall have the right to be given written notification by the Association of(a) any thirty (30) day default by the Owner of the Unit covered by the Mortgage in the payment of assessments or in any other provision of the Condominium Documents; (b) any loss to or taking of the Common Elements or Limited Common Elements if such loss or raking exceeds Ten Thousand and No/100 Dollars ($10,000.00); (c) damage to a Unit covered by the Mortgage if the amount of such damage exceeds Ten Thousand And No/100 Dollars ($10,000.00); (d) any condemnation of all or a portion of the Condominium Property; (e) a lapse or cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specified percentage of Mortgagees.

12.2 Right Of Inspection. Mortgagees shall have the right to examine the books and records of the Association or the Condominium Property and to receive annual reports, other financial data, and, upon request, an annual audited statement, within ninety (90) days following the end of any fiscal year of the Association, all at the sole expense of the requesting party.

12.3 Required Reserve Funds And Working Capital Fund. Assessments levied by the Board of Directors shall include an adequate reserve fund based on the buildings' components and the components' anticipated life expectancy for maintenance, repair and replacement of those Common Elements and Limited Common Elements that must be replaced or repaired on a periodic basis and shall be payable in regular installments other than by special assessments. A working capital fund shall be established and each Unit Owner purchasing a Unit from the Developer shall pay a one (1) time assessment equal to two (2) months' assessment at the time of closing the purchase by each Unit Owner of a Unit to be used by the Association as working capital. The Developer is prohibited from using the working capital funds to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits while it is in control of the Association.

12.4 Priority of Mortgagees.

(A) Any lien which is or may be created hereunder upon any Unit, including, but not limited to, the lien created for assessments herein and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any Mortgage upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to this Declaration on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein.

Notwithstanding the above, the lien created pursuant to this Declaration is prior to any Mortgage to the extent of the Common Expense assessments based on the annual budget which would have become due in absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the lien.

(B) No provision of this Declaration, the Articles, the By-Laws or the Rules And Regulations shall be construed to grant to any Unit Owner, or to any other party any priority over any rights of the Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or the Common Elements, the Limited Common Elements or any portion thereof.

(C) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing authority which may become Liens prior to a Mortgage, shall be separately assessed against and collected on each Unit as a single parcel, and not on the Condominium as a whole.

(D) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

12.5 Request For Protection By Mortgagees. Whenever any Mortgagee desires the benefit of the provisions of this article to be applicable to such Mortgagee, the Mortgagee shall serve written notice of such fact upon the Association, by registered or certified mail, addressed to the Association, and actually mailed to the Association's address, identifying the Unit upon which it holds a Mortgage or identifying any Units owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by the Mortgagee. Said notice shall designate the place to which the notices are to be given by the Association to such Mortgagee.

ARTICLE XIII

CASUALTY LOSS INSURANCE

13.01 Owners; Responsibility Separate Insurance Coverage.

(A) The Owner of each Unit may, at the Unit Owner's expense, obtain insurance coverage for loss of or damage to the Private Elements, any furniture, furnishings, personal effects, and other property belonging to such Owner and may at the Unit Owner's expense obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Unit or upon the Common Elements or Limited Common Elements. Risk of loss of or damage to any furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored in any Unit, or in or upon Common Elements or Limited Common Elements, shall be borne by the Owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Elements and held for the joint use and benefit of all Owners of Units shall be covered by such insurance as the same

shall be maintained in force and effect by the Association as hereinafter provided. Each Owner shall be required to notify the Association of all improvements made by the Owner to the Owner's Unit, the value of which is in excess of Five Thousand And No/100 Dollars ($5,000.00).

(B) Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property other than property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance. In the event casualty insurance maintained by an Owner causes a decrease in the amount of the insurance coverage maintained by the Association for the benefit of all Owners on a casualty loss to the Condominium Property by reason of proration or otherwise, the Owner so maintaining such insurance shall be deemed to have assigned to the Association the proceeds collected on such policy for loss or damage to the Condominium Property and such proceeds shall be paid directly to the Association by the insurer. Any such insurance proceeds shall be applied and distributed by the Association in accordance with this article. Notice of such insurance shall be provided to the Association by each slip owner.

13.2 Insurance To Be Maintained By The Association.

(A) Hazard Insurance. The Association shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, location and use, insuring the Condominium Property against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements, if the Condominium Property is located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Board shall, to the extent obtainable, insure the insurable property included in the Condominium Property against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than one hundred percent (100%) of the then current replacement cost of the improvements, including fixtures, equipment and other personal property inside the Units in the Condominium Property (but excluding land, foundations, excavations and other items usually excluded from such insurance coverage). Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association or the Insurance Trustee (hereinafter defined), as trustee for the use and benefit of the individual Owners (without naming them) in the proportionate shares equal to their respective percentage ownership of the Common Elements and Limited Common Elements. Periodically, prior to the renewal of any such policy or policies of insurance, the Association shall obtain an opinion or an appraisal from a qualified appraiser for the purpose of determining the full replacement cost of the Common Elements, the Limited Common Elements and the Units for the amount of insurance to be obtained pursuant hereto. The cost of any such opinion or appraisal shall be a Common Expense. All such policies of insurance shall comply with the provisions of this Article and shall (i) contain standard mortgagee loss payable clause endorsements in favor of the Mortgagee or Mortgagees of each Unit, if any, as their respective interests may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner.

(B) Public Liability And Property Damage Insurance. The Association shall obtain and maintain at all times a comprehensive policy or policies of public liability and property damage insurance in such amount, but not less than One Million Dollars ($1,000,000.00), and in such form as shall be required by the Association to protect said Association and the Owners of all Units, which provide coverage for bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements and Limited Common Elements and for legal liability resulting from employment contracts to which the Association is a party, and for claims against the officers and members of the Board of Directors for claims arising out of the negligent performance of their duties.

(C) Worker's Compensation Insurance. The Association shall obtain and maintain at all times a policy or policies of worker's compensation insurance to meet the requirements of the laws of the State of Alabama.

(D) Fidelity Bonds. The Association shall obtain and maintain fidelity bonds for any person who either handles or is responsible for funds held or administered by the Association naming the Association as the obligee. The amount of the fidelity bond should cover the maximum funds that will be in the custody of the Association, but not less than the sum of three (3) months' assessments on all Units plus the reserve funds of the Association, if any.

(E) Other Insurance. The Association shall obtain and maintain such other insurance coverage as the Board of Directors, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all Units (i.e. Officers and Directors errors and omissions coverage, etc.).

13.3 Governing Provisions. All insurance obtained and maintained by the Association as provided above shall be governed by the following provisions:

(A) All policies shall (i) comply with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association as they shall apply to condominium loans; and (ii) be written with a company licensed to do business in the State of Alabama and holding a financial rating of "A" or better by Best's Insurance Reports or other then comparable rating. To the extent that the provisions of this Declaration with respect to the maintenance of insurance shall conflict with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, then the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association shall control and such requirements shall be complied with by the Association.

(B) Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property shall be vested in the Association or its authorized representatives.

(C) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Mortgagees.

(D) The Association shall be required to utilize its best efforts to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Developer or the Owners;

(2) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Mortgagee of each Unit;

(3) The insurance coverage will be primary, even if a Unit Owner has other insurance that covers the same loss; and

(4) No act or omission by any Unit Owner, unless acting within the scope of Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

13.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements by an Owner shall be assessed against that Owner.

13.5 Insurance Trustee. The Association may engage the services of a bank or trust company authorized to do trust business in the State of Alabama and having a capital surplus of not less than Fifty Million Dollars ($50,000,000.00) to act on its behalf as an insurance trustee ("Insurance Trustee") and to receive and disburse the insurance proceeds in accordance with the provisions of this Declaration. In the event the lowest of two (2) bids from reputable contractors for making all repairs required by any such loss shall exceed Fifty Thousand And No/100 Dollars ($50,000.00), the Association upon written demand of the Mortgagee of any Unit shall engage the services of a bank or trust company to act as Insurance Trustee as aforesaid. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make a distribution of insurance proceeds to Owners of Units and their Mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, which certificate will be provided to said Insurance Trustee upon request made to the Association. Such certificate is to certify unto said Insurance Trustee the name of the Owner of each Unit, the name of the Mortgagee who may hold a Mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any Unit, and the Unit Owner's respective Mortgagee, as their respective interests may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of

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all or a portion of the Condominium Property. The rights of the Mortgagee of any Unit under any standard mortgagee clause endorsement to such policy shall, notwithstanding anything to the contrary therein or in any Mortgage contained, at all times be subject to the provisions hereof with respect to the application of insurance proceeds to reconstruction of the damaged Condominium Property; provided, however, that if the Association or the Insurance Trustee fails to perform all the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time required by law, and the Mortgagee or Mortgagees are required to avail themselves of their rights under the standard mortgagee clause to collect the proceeds of the policy or policies of insurance, any amount so collected through the efforts of said Mortgagee or Mortgagees shall be applied as directed by said Mortgagee or Mortgagees. No provision hereof shall entitle an Owner or any other party to any priority over a Mortgagee with respect to the distribution of any insurance proceeds with respect to such Unit.

13.6 Loss To Common Elements Only. In the event of the loss of or damage to only Common Elements, real or personal, by reason of fire or other casualties, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or the insurance Trustee, as the case may be, to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and Unit Owner's respective Mortgagee, as their interests may appear, in such proportion that the share of each excess insurance proceeds paid to the Owner of each Unit and Unit Owner's Mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Common Elements appurtenant to all Units. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the toss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall pay, or shall deposit sufficient funds with the Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be so paid, or deposited by the Association with the Insurance Trustee, may be paid by the Association out of its reserve or replacement fund and if the amount in such reserve or replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the Owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

13.7 Loss To Common Elements, Limited Common Elements And/Or Private Elements. In the event of loss of or damage to Common Elements, Limited Common Elements and/or any Private Element of any Unit by reason of fire or other casualty, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or Insurance Trustee, as the case may be, to cover such loss or damage, shall be first applied to the repair, replacement or reconstruction of the Common Elements, then to the repair, replacement or reconstruction of the Limited Common Elements and then to the Private Elements sustaining any

loss or damage, and then to the extent of any excess, such excess insurance proceeds shall be paid and distributed by the insurance company or insurance Trustee to the Owners of all Units, and to their Mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided for the distribution of insurance proceeds under this Article. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the insurance Trustee, as the case may be, are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the Common Elements, the Limited Common Elements and the Private Elements of Units sustaining any loss or damage. If the proceeds of said fire and casualty insurance, if any, are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements, but are not sufficient to repair, replace or reconstruct any loss of or damage to the Limited Common Elements or the Private Elements of Units sustaining damage, then the Association shall levy and collect an assessment from the respective Owners of the Private Elements and/or the Owners to whom Limited Common Elements have been allocated which sustained any loss or damage, and the assessment so collected from said Owner shall be deposited with the Insurance Trustee, if any, so that the sum shall be on deposit for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements, if any, and Private Elements of Units. In said latter event, the assessment to be levied and collected from the Owner of each Private Element sustaining loss or damage shall be apportioned between such Owners in such manner that the assessment levied against each Owner of a Private Element shall bear the same proportion to the total assessment levied against all of said Owners of Units sustaining loss or damage as the cost of repair, replacement or reconstruction of each Owner's Private Element bears to the cost applicable to all of said Private Elements sustaining loss or damage. If the fire and casualty insurance proceeds, if any, payable to the Association or the Insurance Trustee in the event of the loss of or damage to Common Elements, the Limited Common Elements and the Private Elements of Units are not in an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements, it being recognized that such insurance proceeds are to be first applied to the payment for repair, replacement or reconstruction of said Common Elements before being applied to the repair, replacement or reconstruction of any Limited Common Elements or Private Elements of a Unit sustaining loss or damage, then the cost to repair, replace, or reconstruct said Common Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from the Owners of all Units in the same manner as would be levied and collected had the loss or damage sustained been solely to the Common Elements and the fire and casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction. The cost of-repair, replacement or reconstruction of the Limited Common Elements and the Private Elements of each Unit sustaining loss or damage shall then be levied and collected by assessment of the Owners of the Private Elements sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between Owners of Limited Common Elements and Private Elements sustaining loss or damage.

13.8 Estimates Of Repair; Plans And Specifications; Payment Of Assessments. In the event of loss or damage to Condominium Property, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. The estimate of repair shall be based upon the plans and specifications of the original building, portions of which are attached as Exhibit "A-2" to this Declaration as the same may from time to time be amended, or such other plans and specifications as may be approved by the Board of Directors, by all of the Owners of the damaged Units, and by not less than sixty percent (60%) of the Members of the Association including the Owners of damaged Units. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing the Unit Owners in any proceeding, negotiation, settlement, or agreement arising from any loss or damage to the Condominium Property. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors may deem to be in the best interest of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional money required to completely pay for such repair, replacement or reconstruction of said loss or damage whether to be paid by all of the Owners of Units or only by the Owners of Units sustaining loss or damage, or both, as herein provided, shall be paid to the Association and deposited with the Insurance Trustee, if any, not later than thirty (30) days from the date on which the Association or the Insurance Trustee, as the case may be, shall receive the monies payable from the policies of fire and casualty insurance.

ARTICLE XIV

CONDEMNATION

14.1 Condemnation Considered A Casualty Loss. The taking of a portion of a Unit or Private Element, the Common Elements or the Limited Common Elements by eminent domain shall be deemed to be a casualty loss, and except as otherwise provided below, the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be applied and distributed by the Association in accordance with the provisions of Article X. Even though the awards may be payable to the Owners, the Owners shall deposit the awards with the Association or Insurance Trustee, as the case may be; in the event of failure to do so, at the discretion of the Board of Directors, a special assessment shall be made against a defaulting Owner in the amount of such defaulting Owner's award, or the amount of such award shall be set off against the sums hereinafter made payable to such Owner. If any Unit or portion thereof made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Mortgagee of such Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition as provided herein, and no provision hereof shall entitle the Owner of such Unit or other party to priority over such Mortgagee with respect to the distribution of any award or settlement to the Owner of the Unit.

14.2 Partial Condemnation. In the event that the Condominium Property is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

(A) If the taking reduces the size of a Unit and the remaining portion of Unit can be made tenantable, the award for the taking for 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 Property:

(1) The Unit shall be made tenantable.

(2) The balance of the award, if any, shall be distributed to the Owner of the Unit and the Mortgagee of the Unit, as their respective interests may appear.

(3) If there is a balance of the award distributed to the Owner and the Mortgagee, the share of the Common Elements or Limited Common Elements, if any, appurtenant to the Unit shall be equitably reduced. This shall be done by reducing such share by the proportion which the balance of the award so distributed bears to the market value of the Unit immediately prior to the taking, and then re-computing the shares of all Owners in the Common Elements and the Limited Common Elements as percentages of the total of their shares as reduced by the taking.

(4) If the taking destroys or so reduces the size of a Unit so that it may not be made tenantable, 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 Property:

(a) The market value of such Unit immediately prior to the taking, shall be paid to the Owner of the Unit and to each Mortgagee of the Unit, as their respective interest may appear.

(b) The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners, in the manner approved by the Board of Directors; provided, however, that if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner required for further improvement of the Common Elements as provided herein.

(c) The shares in the Common Elements appurtenant to the Units which continue as a part of the Condominium Property shall be equitably adjusted to distribute the ownership to the Common Elements among the reduced number of Owners. This shall be done by re-computing the shares of such continuing Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment.

(d) If the amount of the award for taking is not sufficient to pay the market value of the condemned Unit to the Owner and to restore the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessing Units against all of

the Owners who will continue as Owners of the Units after the changes in the Condominium Property effected by the taking. Such assessment shall be made in proportion to the share of such Owners in the Common Elements after the changes effected by the taking.

(B) If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner, the Mortgagee and the Association within thirty (30) days after notice by any such party that an agreement cannot be reached, such value shall be determined by three (3) independent qualified appraisers with one (1) appraiser to be selected by the Association, one (1) appraiser to be selected by the Owner and Mortgagee, and the third appraiser to be selected by the two (2) appraisers so appointed, and the fair market value of the Unit shall be deemed to be the average of the two (2) appraisals of the fair market value of the Unit made by said appraisers having the least difference in amount. The cost of such appraisal shall be assessed against all Owners in the shares of the Owners in the Common Elements as they existed prior to the changes effected by the taking.

(C) Changes in the Units, in the Common Elements and/or Limited Common Elements, in the ownership of the Common Elements and/or Limited Common Elements and in the shares of liability for Common Expenses and/or Limited Common Expenses which are effected by eminent domain, shall be evidenced by an amendment of this Declaration which is approved by the Board of Directors in accordance with this Declaration and the Association's By-Laws.

14.3 Association Appointed As Attorney-in-Fact For Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the condemnation or taking by eminent domain of the Condominium Property or any portion thereof.

ARTICLE XV

TERMINATION

15.1 Destruction Of The Condominium Property.

(A) Notwithstanding anything to the contrary contained in this Declaration, if the Board of Directors shall determine that either of the following conditions exist:

(1) two-thirds (2/3) or more of the Units in the Condominium Property shall have been destroyed or substantially damaged by fire, wind, water, or other natural causes, or a combination of such (including condemnation): or

(2) substantially all of units in the structure have substantially deteriorated and have been rendered substantially obsolete;

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then the Board of Directors may call a meeting of the Members of the Association to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate the Declaration and remove the Condominium Property from the provisions of the Act if approved by the affirmative vote of at least eighty percent (80%) of the Owners of all Units (based upon one vote for each Unit) and by at least eighty percent (80%) of all Mortgagees (based upon one vote for each Mortgage owned) after notice given as provided herein, the Declaration and plan of condominium ownership established herein shall be subject to termination as provided in the Act and the Association shall be authorized to file on behalf of and in the name of the Unit Owners and shall file a petition for such termination and removal with the Circuit Court of Baldwin County, Alabama. If less than eighty percent (80%) of the Owners of all Units and/or less than eighty percent (80%) of the Mortgagees vote in favor of terminating the Condominium Property as herein required, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with these provisions.

(B) In the event that the Circuit Court of Baldwin County, Alabama, shall grant the petition for termination of this Declaration and the plan of condominium ownership as provided in subparagraph (a) above, all of the Owners of Units shall be and become tenants in common as to ownership of the Land and any then remaining improvements thereon. The undivided interest in the Land and remaining improvements held by the Owner of each Unit shall be the same as the undivided interest in the Common Elements which were formerly appurtenant to such Unit, and the lien of any Mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the Land and then remaining improvements as above provided. The Owners of Units to which Limited Common Elements have been allocated in this Declaration shall own each such Limited Common Element appurtenant to each Owner's Unit, and the lien of any Mortgage or other encumbrance upon such Units shall attach to the Limited Common Elements of each respective Owner's Unit. Upon termination of this Declaration and the plan of condominium ownership established hereto, the Owners of all Units still inhabitable shall within sixty (60) days from the date of the granting of the petition, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of inhabitable Units and their respective Mortgagees, as their interests may appear, shall become entitled to participate proportionately together with all Owners of uninhabitable Units in the distribution of proceeds in the possession of the Association or the Insurance Trustee. Upon such termination of this Declaration and the plan of condominium ownership established hereto, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance indemnity which may be due under any policy or casualty insurance to the Owners of the Units and their Mortgagees as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with such Owner's then undivided interest in the Land and remaining improvements as herein provided. The Land and any remaining improvements thereon shall be subject to all easements of record, except the easements created in the Condominium Documents. The assets of the Association upon termination of the plan of condominium ownership created by this Declaration shall rhea be distributed to the Owner of each Unit and Unit Owner's Mortgagee, as their respective interests may appear, in the same manner as is above provided for the distribution of any final insurance indemnity.

15.2 Termination By Consent. Except in the event of this Declaration and plan of condominium ownership established herein being terminated as provided above, this Declaration and said plan of condominium ownership may only be otherwise terminated by the consent of one hundred percent (100%) of the Owners of all Units and all parties holding Mortgages, liens or other encumbrances against any of said Units, in which event the termination of the Condominium Property shall be by such plans as may be then unanimously adopted by said Owners and parties holding any Mortgages, liens or other encumbrances. Such election to terminate this Declaration and the plan of condominium ownership established herein shall be evidenced by a termination agreement executed in writing by all of the aforesaid parties in recordable form in accordance with the Act, and such instrument shall be recorded in the Baldwin County, Alabama, Probate Court Records.

ARTICLE XVI

AMENDMENT

16.1 Amendments By Developer. Without limiting the rights of the Developer to alter the plans as described hereinabove in this Declaration, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Developer from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

(A) The Developer reserves the right to amend the Articles of Incorporation and the By-Laws of the Association until such time as Developer relinquishes control of the Association as provided below.

(B) The Developer reserves the Right to amend this Declaration and the Condominium Documents so long as there is no Unit Owner other than the Developer, and as is permitted or required by the Act in connection with Developer's exercise of development rights provided for herein.

(C) The Developer reserves the right at any time to amend this Declaration without the consent of other Owners if required by any Mortgagee as a condition of making a loan secured by an interest in a Unit in order to meet the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; provided that any such changes or amendments requested by a Mortgagee shall not materially affect the rights of the Unit Owners or the value of the Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, assigned to a Unit Owner.

16.2 Amendments; By Unit Owners. At such time as there is a Unit Owner other than the Developer, then, in addition to the amendments permitted above, the Declaration may be amended in the following manner:

(A) A proposal to amend this Declaration may be considered at any meeting of the Members of the Association called for that purpose in accordance with the provisions of the By-

Laws; provided that the Association provides prior written notice of such meeting to the Mortgagees as provided above. The proposal to amend the Declaration must be approved by the affirmative vote of the members representing not less than sixty-seven percent (67%) of the total allocated votes of the Association and by the affirmative vote of the Mortgagees representing not less than sixty-seven percent (67%) of the total allocated votes of the Units subject to Mortgages; or

(B) By unanimous consent or agreement of the Unit Owners and the Mortgagees as evidenced by their signatures to the amendment.

Notwithstanding the foregoing, no amendment to the Declaration under this Section 16.2 shall:

(1) change a Unit (including the ownership in Common Elements), responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Unit Owners so affected and prior written approval of the holders of record of any mortgage or other liens on the Unit or Units so affected; or

(2) change, impair or prejudice the rights of Developer or change the provisions of this Declaration with respect to the Developers rights hereunder without Developer's prior written approval.

16.3 Effectiveness Of Amendments. A copy of each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been fully adopted, and shall be effective when recorded in the Baldwin County, Alabama Probate Court Records.

ARTICLE XVII

CONTROL OF THE ASSOCIATION

17.1 Election Of Board Of Directors. The Developer, its successors or assigns, may appoint and remove the members of the Board of Directors, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (i) sixty (60) days after seventy-five percent (75%) of the total number of Units that may be created hereunder have been conveyed to purchasers of Units, or (ii) two (2) years have elapsed from the date the Developer has ceased to offer Units for sale in the ordinary course of business, or (iii) two years after any development right to add new Units was last exercised; provided that the Developer may, at its option, terminate its control of the Association at an earlier date. Notwithstanding the foregoing, within ninety (90) days after conveyance of twenty-five percent (25%) of the Units that may be created hereunder, the Unit Owners other than Developer shall be entitled to elect twenty-five percent (25%) of the members of the Board of Directors. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units that may be created hereunder to Unit Owners other than Developer, not less than thirty-three and one-third (33 1/3%) of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary

course of business at least five percent (5%) of the Units, and such right is not contrary to the other provisions hereof.

17.2 Notice Of Meeting. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Association shall call and have not less than ten (10) days nor more than thirty (30) days notice or a meeting of the Unit Owners for the purpose of electing the members of the Board of Directors. Such meeting shall be called and the notice given in accordance with the By-Laws.

17.3 Status Of Unsold Units.

(A) The Developer shall be deemed to be the Owner of each Unit which has not been conveyed to a person other than the Developer. Unless otherwise provided in the Condominium Documents, the Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon the Owner of any such Unit under the Condominium Documents.

(B) Any person having a first mortgage lien against any Unit which has not been conveyed to a person other than the Developer, whether under a blanket Mortgage affecting the Condominium Property generally or under a Mortgage on one or more specific Units, shall be deemed to be a Mortgagee with respect to any such Unit, and shall be entitled to all rights and privileges available to a Mortgagee of any such Unit under the Condominium Documents.

(C) Notwithstanding the provisions above, no assessments shall be imposed by the Association against the Developer as the Owner of unsold Units until the date sixty (60) days after the conveyance of the first Unit. Until such date, Developer shall be responsible for the Common Expenses and Limited Common Expenses of the Condominium Property, except that the Developer shall be entitled to use and apply to the payment of such Common Expenses and Limited Common Expenses any and all assessments made against the Unit Owners other than Developer and collected by the Association for Common Expenses and Limited Common Expenses. The Developer shall be solely responsible for the maintenance, repair and operation of the Private Elements of the unsold Units.

17.4 Professional Management And Other Contracts. Any agreement made by the Association prior to the passage of control of the Association from the Developer (including contracts for professional management of the Condominium Property, whether by the Developer, its successors and assigns, or any other person or entity) shall provide the following:

(A) The Association shall have the right of termination which is exercisable without penalty any time upon not more than ninety (90) days' written notice to the other party thereto; and

(B) The Association shall have a right of termination for cause which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

ARTICLE XVIII

MISCELLANEOUS

18.1 Rights and Powers Of Successors And Assignees. The rights and powers reserved to or exercisable by the Developer under the Condominium Documents or the Act may be exercised by any successor assignee of the Developer (I) who acquires title from the Developer by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Developer specifically assigns such rights and powers.

18.2 Heading. The captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Declaration.

18.3 Gender/Number. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders.

18.4 Exhibits. The Exhibits attached to this Declaration are an integral part of this Declaration.

18.5 Invalidity And Severability. It is the intention of the Developer that the provisions of this Declaration are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

18.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation or a condominium project in accordance with Alabama law. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

IN WITNESS WHEREOF, the Developer has caused these presents to be executed on its behalf by its member thereunto duly authorized on the day and year first above written.

SIGNATURE ON FOLLOWING PAGE

BAYSHORE TOWERS, L.L.C.
BY WASHER, HILL & LIPSCOMB,
An Architectural Corporation,
its Managing Member,
By and through:

L. Russell Washer

L. Russell Washer, its President

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned notary public in and for said state and county, hereby certify that L. Russell Washer, whose name as President of Washer, Hill and Lipscomb, an Architectural Corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, in his capacity as aforesaid and with full authority, executed the same voluntarily for and as the act of said company on the day set forth below.

GIVEN under my hand and seal this 28th day of April, 2004.

Dianne Boan

NOTARY PUBLIC
My commission expires: 1-29-08

Exhibit A [Phase I Property Description]

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LEGAL DESCRIPTION
PROPOSED PHASE I

Commencing at the record Northwest corner of Lot 45 of the Burkart Property as recorded in the office of the Judge of Probate, Baldwin County Alabama in Map Book 1, Page 145, Thence South 00°27'29" West 23.80 feet to a point on the south margin of Alabama Highway No. 180 and the Point of Beginning;

Thence along said margin North 82°33'39" East, a distance of 60.58 feet to a point and corner;

Thence proceed South 00°27'29" West, a distance of 321.14 feet to a point and corner;

Thence proceed South 89°32'31" East, a distance of 138.59 feet to a point and corner;

Thence proceed South 00°00'16" West, a distance of 917.89 feet to a point on the north margin of Terry Cove;

Thence along said margin North 86°34'02" West, a distance of 206.18 feet to a point;

Thence proceed North 00°27'29" East, a distance of 99.12 feet to a point and corner;

Thence proceed North 90°00'00" East, a distance of 22.95 feet to a point and corner;

Thence proceed North 44°55'25" East, a distance of 92.14 feet to a point and corner;

Thence proceed North 44°59'59" West, a distance of 20.57 feet to a point and corner;

Thence proceed North 44°49'25" East, a distance of 49.00 feet to a point and corner;

Thence proceed North 64°13'46" East, a distance of 22.54 feet to a point and corner;

Thence proceed North 00°00'16" East, a distance of 34.61 feet to a point and corner;

Thence proceed North 89°59'44" West, a distance of 11.40 feet to a point and

corner;

Thence proceed North 00°00'16" East, a distance of 94.16 feet to a point and corner;

Thence proceed North 76°38'30" West, a distance of 34.10 feet to a point and corner;

Thence proceed North 89°59'44" West, a distance of 55.80 feet to a point and corner;

Thence proceed North 50°57'56" West, a distance of 33.06 feet to a point and corner;

Thence proceed North 00°27'29" East, a distance of 839.03 feet to the POINT OF BEGINNING, containing 4.08 acres, more or less.

EVANS-GRAVES ENGINEERS, INC.
November 1, 2001

Exhibit A-1 [Marina Property]

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STATE OF ALABAMA)

COUNTY OF BALDWIN)

AMENDMENT TO RIPARIAN EASEMENT 00-003

WHEREAS, riparian easement number 00-003 between Alabama Department of Conservation and Natural Resources, State Lands Division, and Bayshore Tower Partnership, was entered into on May 14, 2001; and,

WHEREAS, is the now the intent of both parties to amend riparian easement number 00-003;

NOW THEREFORE, on this the 14th day of April, 2003, riparian easement number 00-003 is hereby amended as follows:

1. Paragraph number 2 is hereby amended to read as follows:

"2. USE OF PROPERTY: The Grantee is hereby authorized to construct and operate a Boat Docking Facility exclusively to be used for wet slips in conjunction with an upland condominium without fueling facilities, without a sewage pumpout facility, and without liveaboards as defined in paragraph 29, as shown and conditioned in Exhibit A. The construction of the structures described in Exhibit A shall be completed within three (3) years. The failure to complete the construction of all authorized structures within this time period shall constitute a material breach hereof causing the Easement to automatically terminate without any right of renewal."

2. Exhibit "A" attached hereto hereby replaces exhibit "A" originally attached to riparian easement 00-003.

IN WITNESS WHEREOF, the Parties to this Amendment have duly executed and affixed their signatures on this the 14th day of April 2003.

STATE OF ALABAMA
Department of Conservation
and Natural Resources

RECOMMENDED:

James H. Griggs

James H. Griggs, Director
State Lands Division

M. Barnett Lawley

M. Barnett Lawley, Commissioner

ACT HAS BEEN REVIEWED FOR ... AND COMPLIES WITH ALL APP... AND REGULATIONS OF THE ...

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8055513

TERMS ACCEPTED:
Bayshore Towers, LLC
(Formerly Bayshore Tower Partnership)

Eva W. Crochet

By John A. Graves
Its Manager

APPROVED:

Governor of Alabama

ATTEST:

Secretary of State

STATE OF ALABAMA)

MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that M. Barnett Lawley, whose name as Commissioner of Conservation and Natural Resources of the State of Alabama is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing instrument, he, in his official capacity and with full authority executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 14 day of April, 2003.

Notary Public

My Commission Expires 1/28/2004

STATE OF Louisiana)

E.B.R. Parish ~~COUNTY~~)

I, the undersigned Notary Public in and for said State and County, hereby certify that John A. Graves whose name as Manager of Bayshore Towers, LLC, formerly Bayshore Tower Partnership is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in his capacity as such official of Bayshore Towers, LLC, executed the same voluntarily for and as the act of Bayshore Towers, LLC, on the day the same bears date.

Given under my hand and seal this the 3 day of April, 2003.

Notary Public

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

2004 April -28 11:58AM

Instrument Number 805551 Pages 2
Recording 6.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

This Instrument Prepared by:
Otis J. Goodwyn, Chief Legal Counsel
Alabama Department of Conservation and Natural Resources
64 North Union Street
Montgomery, Alabama 36130

Revised January 1, 2000

STATE OF ALABAMA)
)
BALDWIN COUNTY)

State Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:
2004 Apr -28 11:52AM
Instrument Number 805543 Pages 8
Recording 24.00 Mortgage
Deed .50 Min Tax
Index DP
Archive 5.00
Adrian T. Johns, Judge of Probate

RIPARIAN EASEMENT OF STATE-OWNED SUBMERGED LANDS

STATE LANDS DIVISION
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
OF THE STATE OF ALABAMA

No. 00-003

THIS EASEMENT is hereby issued by the State of Alabama, Department of Conservation and Natural Resources, State Lands Division, hereinafter referred to as the Grantor.

WITNESSETH: That for and in consideration of payment of the annual riparian fees hereinafter provided and the faithful and timely performance of and compliance with all terms and conditions stated herein, the Grantor does hereby grant a riparian easement to BAYSHORE TOWER PARTNERSHIP, hereinafter referred to as the Grantee, relating to the state-owned submerged lands described as follows:

> A parcel of state-owned submerged land in Section 12, Township 9 South, Range 5 East in Baldwin, County, containing 17,295 square feet, more or less, as is more particularly described and shown on Exhibit A, Evans-Graves Engineers, Inc.'s undated drawing, attached hereto, made a part hereof and incorporated herein.
>
> Notwithstanding anything herein to the contrary, the total length of the pier and all improvements shall not extend into the water more than 135 feet, measured from the mean high tide line.

805543

TO HAVE THE USE OF the hereinabove described premises for a period of ten (10) years from the effective date of this Easement beginning the 9th day of January, 2001, and expiring on the 9th day of January, 2011. The terms and conditions on and for which this Easement is granted are as follows:

1. IMPROVEMENTS & OPERATIONS: Improvements and operations conducted on the Easement Premises shall be limited to those directly associated with activities on the adjoining upland property which is owned by the Grantee hereof, and which upland property is described as follows:

> Legal Survey of Lots 45 thru 52 of the Burkart Property Subdivision as prepared by Phillip H. Lindsey and Associates, 314 East Laurel, Box 8, Foley, Alabama, recorded in Map Book One, Page 145, Judge of Probate Office, Baldwin County, Alabama

2. USE OF PROPERTY: The Grantee is hereby authorized to construct and operate a Boat Docking Facility exclusively to be used for wet slips in conjunction with an upland condominium without fueling facilities, without a sewage pumpout facility, and without liveaboards as defined in paragraph 29, as shown and conditioned in Exhibit A. The construction of the structures described in Exhibit A shall be completed within two (2) years. The failure to complete the construction of all authorized structures within this time period shall constitute a material breach hereof causing the Easement to automatically terminate without any right of renewal.

3. EASEMENT FEES: The Grantee hereby agrees to pay to the Grantor in advance an annual easement fee which is the greater of:

A. Five-Hundred and No/100 Dollars ($500.00) minimum annual year 2000 fee, which sum shall be adjusted by the changes to the Consumer Price Index (as herein provided) on the 2001 anniversary date hereof and each year thereafter that the Easement is in effect; or

B. Year 2000 base payment rental of $0.1183 per square foot (adjusted on each anniversary date hereof by changes in the Consumer Price Index as herein provided); or

C. Six percent (6%) of the gross rental value as determined by the State Lands Division of all wet slips located on state-owned submerged lands encompassed by this Easement.

The calculated annual rental on the basis of square footage is $2,045.99. Grantor has determined that the gross value of the 24 rental slips is $57,600.00. Accordingly, 6% of $57,600.00 or $3,456.00 shall be the amount of the first annual rental:

The first annual easement payment shall be paid in advance to the State Lands Division in the amount of THREE-THOUSAND FOUR-HUNDRED FIFTY-SIX AND NO/100 DOLLARS ($3,456.00).

Where a portion of the improvement on this Easement is utilized for wet slips and a portion thereof not used in connection therewith, the rental shall be apportioned on the basis of square footage of the Easement (not improvement) utilized for each purpose as provided above.

Effective on the anniversary date hereof and each year thereafter, the remaining annual and base rates for submerged land easements shall be adjusted on the basis of fluctuations of the Consumer Price Index for All Urban Consumers (CPI-U), South Urban, as published by U.S. Department of Labor, Bureau of Labor Statics.

Each year the annual easement fee shall become due and payable and shall be remitted to the State Lands Division, as the Grantor, on or before the anniversary due date until the term of this Easement terminates or expires.

4. WET SLIP RENTAL CERTIFICATION: The Grantee shall provide upon request by the Grantor any and all information in a certified form needed to calculate the Easement fee specified in paragraph three (3) above, including the total number, length and configuration of wet slips.

5. LATE FEE ASSESSMENTS: The Grantee shall pay a late charge equal to interest at the rate of twelve percent (12%) per annum from the due date until paid on any easement fees due hereunder which are not paid within fifteen (15) days of their due dates or $100.00, whichever amount is greater.

6. AGREEMENT TO EXTENT OF USE: This Easement is given to the Grantee to use or occupy the Easement premises only for those activities specified herein and as conditioned by the Grantor. The Grantee shall not change or add to the approved use of the Easement premises as defined herein (e.g. from commercial to multi-family residential, from temporary mooring to rental of wet slips, from rental of wet slips to contractual agreement with third party for docking of tour boats/ cruise ships, from rental of recreational pleasure craft to rental or temporary mooring of charter/tour boats, from loading/offloading commercial to rental of wet slips, etc.), shall not change activities in any manner that may have an environmental impact that was not considered in the original authorization or regulatory permit, or shall not change the type of use of the riparian uplands without first obtaining Grantor's written authorization in the form of a modified easement, the payment of additional fees, if applicable, and, if applicable, the removal of any structures which may no longer qualify for authorization under the modified easement.

7. PROPERTY RIGHTS: The Grantee shall make no claim of title or interest to the subject state-owned submerged lands hereinbefore described by reason of the occupancy or use thereof, and all title and interest to said land hereinbefore described is vested in the Grantor. The Grantee is prohibited from including, or making any claim that purports to include, said lands described as the Grantee's Easement interest in said lands into any form of private ownership, including but not limited to any form of condominium or cooperative ownership or guarantee of a boat slip to occupancy of any housing unit. The Grantee is further prohibited from making any claim, including any advertisement, that said land, or the use thereof, may be purchased, sold, or re-sold.

Grantee further understands and agrees that under no circumstance the construction of any facility on state-owned submerged lands shall be configured to create an enclave between adjacent riparian owners.

It is specifically understood by the Grantee that the Easement is made subject to any and all rights outstanding in the public as to navigation over and through the waters adjacent to the Easement Premise.

8. INTEREST IN RIPARIAN UPLAND PROPERTY: During the term of this Easement, the Grantee, or its successor in interest, shall maintain a leasehold or fee simple title interest in the riparian upland property and if such interest is terminated, the Easement may be terminated at the option of the Grantor. Prior to sale and/or termination of the Grantee's leasehold or fee simple title interest in the upland property, Grantee shall inform any potential buyer or transferee of the Grantee's upland property interest of the existence of this Easement and all its terms and conditions and shall complete and execute any documents required by the Grantor to effect an assignment of this Easement, if consented to by the Grantor. Failure to do so will not relieve the Grantee from responsibility for full compliance with the terms and conditions of this Easement which include, but are not limited to, payment of all fees and/or penalty assessments incurred prior to such act.

9. ASSIGNMENT OF EASEMENT: This Easement shall not be assigned or otherwise transferred without prior written consent of the Grantor or its duly authorized agent. Such assignment or other transfer shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. Any assignment or other transfer without prior written consent of the Grantor shall be null and void and without legal effect.

10. INDEMNIFICATION/INVESTIGATION OF ALL CLAIMS: The Grantee shall investigate all claims of every nature arising out of this Easement at its expense, and shall indemnify, defend and save and hold harmless the Grantor and the State of Alabama from all claims, actions, lawsuits and demands arising out of this Easement.

11. VENUE: Grantee waives venue as to any litigation arising from matters relating to this Easement and any such litigation between Grantor and Grantee shall be initiated and maintained only in Montgomery County, Alabama.

12. NOTICES/COMPLIANCE/TERMINATION: The Grantee binds itself, its successors and assigns, to abide by the provisions and conditions herein set forth, and said provisions and conditions shall be deemed covenants of the Grantee, its successors and assigns. In the event the Grantee fails or refuses to comply with the provisions and conditions herein set forth, or in the event the Grantee violates any of the provisions and conditions herein, or fails or refuses to comply with the provisions and conditions herein set forth within twenty (20) days of receipt of the Grantor's notice to correct, this Easement may be terminated by the Grantor upon thirty (30) days written notice to Grantee. Grantee further understands and agrees that if the structure(s) located on the Easement Premises is substantially destroyed by catastrophic event, this Easement shall automatically terminate. If canceled, all of the above-described parcel of land shall revert to the Grantor. Grantee shall immediately vacate Easement Premises peacefully and will surrender the same to Grantor. All costs and attorneys' fees incurred by the Grantor to enforce the provisions of this Easement shall be paid by the Grantee. All notices required to be given to the Grantee by this Easement or applicable law or administrative rules shall be sufficient if sent by U.S. Mail to the following address:

Bayshore Tower Partnership
9800 Airline Highway, Suite 200
Baton Rouge, Louisiana 70816

TheGrantee shall notify the Grantor by certified mail of any change to this address at least ten (10) days before the change is effective.

All sums becoming due shall be made payable to and all notices from Grantee to Grantor shall be addressed to Grantor at:

Department of Conservation and Natural Resources
Director, State Lands Division
64 North Union Street, Suite 464
Montgomery, Alabama 36130-1901

13. TAXES AND ASSESSMENTS: The Grantee shall assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the effective period of this Easement.

14. NUISANCES OR ILLEGAL OPERATIONS: The Grantee shall not permit the Easement Premises or any part thereof to be used or occupied for any purpose or business other than herein specified unless such proposed use and occupancy are consented to by the Grantor and the Easement is modified accordingly, nor shall Grantee knowingly permit or suffer any nuisances or illegal operations of any kind on the Easement premises.

15. MAINTENANCE OF FACILITY/RIGHT TO INSPECT: The Grantee shall maintain the Easement Premises in good condition, keeping the structures and equipment located thereon in a good state of repair in the interests of public health, safety and welfare. No dock or pier shall be constructed in any manner that would cause harm to wildlife or fisheries resources. All costs of constructing equipping and maintaining any facility located on the Easement Premises shall be at the expense of the Grantee.

The Easement Premises shall be subject to inspection by the Grantor or its designated agent at any reasonable time.

16. NON-DISCRIMINATION: The Grantee shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the area subject to this Easement or upon lands adjacent to and used as an adjunct of the Easement area.

17. ENFORCEMENT OF PROVISIONS: No failure, or successive failures, on the part of the Grantor to enforce any provision, nor any waiver or successive waivers on its part of any provision herein, shall operate as a discharge thereof or render the same inoperative or impair the right of the Grantor to enforce the same upon any renewal thereof or in the event of subsequent breach or breaches.

18. PERMISSION GRANTED: Upon expiration or cancellation of this Easement all permission granted hereunder shall cease and terminate.

19. RENEWAL PROVISIONS: Renewal of this Easement shall be at the sole option of the Grantor. Such renewal shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. In the event that Grantee is in full compliance with the terms of this Easement, the Grantee may apply in writing for a renewal. Such application for renewal must be received by Grantor no sooner than 120 days and no later than 30 days prior to the expiration date of the original or current term hereof. The term of any renewal granted by the Grantor shall commence on the last day of the previous Easement term. If the Grantee fails to timely apply for a renewal, or in the event the Grantor does not grant a renewal, the Grantee shall vacate the Easement premises and remove all structures and equipment occupying and erected thereon at its expense. The obligation to remove all structures authorized herein upon termination of this Easement shall constitute an affirmative covenant upon the riparian upland property more specifically described herein, which shall run with the title to said riparian upland property, and shall be binding upon Grantee and Grantee's successors in title or successors in interest.

20. REMOVAL OF STRUCTURES: If the Grantee does not remove said structures and equipment occupying and erected upon the Easement Premises after expiration or cancellation of this Easement, such structures and equipment will be deemed forfeited to the Grantor, and the Grantor may authorize removal and may sell such forfeited structures and equipment after ten (10) days written notice by certified mail addressed to the Grantee at the address specified in Paragraph 12 or at such address on record as provided by the Grantee. However, such remedy shall be in addition to all other remedies available to the Grantor under applicable laws, rules and regulations including the right to compel removal of all structures.

21. REMOVAL COSTS/LIEN ON RIPARIAN UPLAND PROPERTY: Any costs incurred by the Grantor in removal of any structures and equipment constructed or maintained on state lands shall be paid by Grantee and any unpaid costs and expenses shall constitute a lien upon the interest of the Grantee in its riparian upland property enforceable as provided by Law.

22. RECORDATION OF EASEMENT: The Grantee, at its own expense, shall record this fully executed Easement in its entirety in the public records of the county within which the Easement site is located within fourteen (14) days after receipt, and shall provide to the Grantor within ten (10) days following the recordation a copy of the recorded Easement in its entirety which contains the Book and pages at which the Easement is recorded.

23. RIPARIAN RIGHTS/FINAL ADJUDICATION: In the event that any part of any structure authorized hereunder is determined by a final adjudication issued by a court of competent jurisdiction to encroach on or interfere with adjacent riparian rights, Grantee agrees to either obtain written consent for the offending structure from the affected riparian owner or remove the interference or encroachment within 60 days from the date of the adjudication. Failure to comply with this paragraph will constitute a material breach of this Easement Agreement and shall be grounds for immediate termination of this Easement Agreement at the option of the Grantor.

24. AMENDMENTS/MODIFICATIONS: This Easement is the entire and only agreement between the parties. Its provisions are not severable. Any amendment or modification to this Easement must be in writing, must be accepted, acknowledged and executed by the Grantee and Grantor, and must comply with the rules and statutes in existence at the time of the execution of the modification or amendment. Notwithstanding the provisions of this paragraph, if mooring is authorized by this Easement, the Grantee may install boatlifts within the Easement Premises without formal modification of the Easement provided that (a) the Grantee obtains any state or local regulatory permit that may be required: and (b) the location or size of the lift does not increase the mooring capacity of the facility.

25. ADVERTISEMENT/SIGNS/NON-WATER DEPENDENT ACTIVITIES/ADDITIONAL ACTIVITIES/MINOR STRUCTURAL REPAIRS: No permanent or temporary commercial advertising signs shall be erected upon or placed within the Easement area. No restaurant or dining activities are to occur within the Easement area. No toilet facilities shall be constructed or maintained within the Easement area. The Grantee shall ensure that no permanent, temporary or floating structures, fences, docks, pilings or any structures whose use is not water-dependent shall be erected or conducted over state-owned submerged lands without prior written consent from the Grantor. No additional structures and/or activities including dredging, relocation/realignment or major repairs or renovations to authorized structures, shall be erected or conducted on or over state-owned, submerged lands without prior written consent from the Grantor. Unless specifically authorized in writing by the Grantor, such activities or structures shall be considered unauthorized and may subject holder of this Easement to criminal and/or civil penalties. This condition does not apply to minor structural repairs required to maintain the authorized structures in a good state of repair in the interests of

public health, safety or welfare; provided, however, that such activities shall not exceed the activities authorized by this Agreement.

26. COE AUTHORIZATION: Prior to commencement of construction and/or activities authorized herein, the Grantee shall obtain the U.S. Army Corps of Engineers (COE) permit, if it is required by the COE. Any modifications to the construction and/or activities authorized herein that may be required by the COE shall require consideration by and the prior written approval of the Grantor prior to the commencement of construction and/or any activities on state-owned, submerged lands. Grantee's Corps of Engineers Application Number is AL99-02554-A .

27. COMPLIANCE WITH ALABAMA LAWS: On or in conjunction with the use of the Easement Premises, the Grantee shall at all times comply with all Alabama Statutes and all administrative rules promulgated thereunder. Any unlawful activity which occurs on the Easement Premises or in conjunction with the use of the Easement Premises shall be grounds for the termination of this Easement by the Grantor.

28. DISPOSAL OF HAZARDOUS WASTE PROHIBITED: Grantee shall not place or dispose of any hazardous material upon the premises. In the event the Grantee violates the intent of this paragraph the Easement shall be terminated immediately. Grantee shall be responsible for any cleanup required on the property as a result of Grantee's actions.

29. LIVEABOARDS: The term "liveaboard" is defined as a vessel docked at the facility and inhabited by a person or persons for any five (5) consecutive days or a total of ten (10) days within a thirty (30) day period. If liveaboards are authorized by paragraph one (1) of this Easement, in no event shall such "liveaboard" status exceed six(6) months within any twelve(12) month period, nor shall any such vessel constitute a legal or primary residence.

30. SPECIAL EASEMENT CONDITIONS:

None.

IN WITNESS WHEREOF, the Parties to this Easement have duly executed and affixed their signatures on this the 14th day of May 2001.

RECOMMENDED:

James H. Griggs, Director
State Lands Division

THIS CONTRACT HAS BEEN REVIEWED FOR CONTENT, LEGAL FORM, AND COMPLIES WITH ALL APPLICABLE LAWS, RULES, AND REGULATIONS OF THE STATE OF ALABAMA GOVERNING THESE MATTERS

STATE OF ALABAMA
Department of Conservation
and Natural Resources

Riley Boykin Smith, Commissioner

TERMS ACCEPTED:
Bayshore Tower Partnership

By

Its Co-Manager(s)

APPROVED:

Governor of Alabama

ATTEST:

Secretary of State

STATE OF ALABAMA)

MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Riley B. Smith, whose name as Commissioner of Conservation and Natural Resources of the State of Alabama is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing instrument, he, in his official capacity and with full authority executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 14 day of MAY, 20 01.

Robin R McPhee
1/28/04 Notary Public

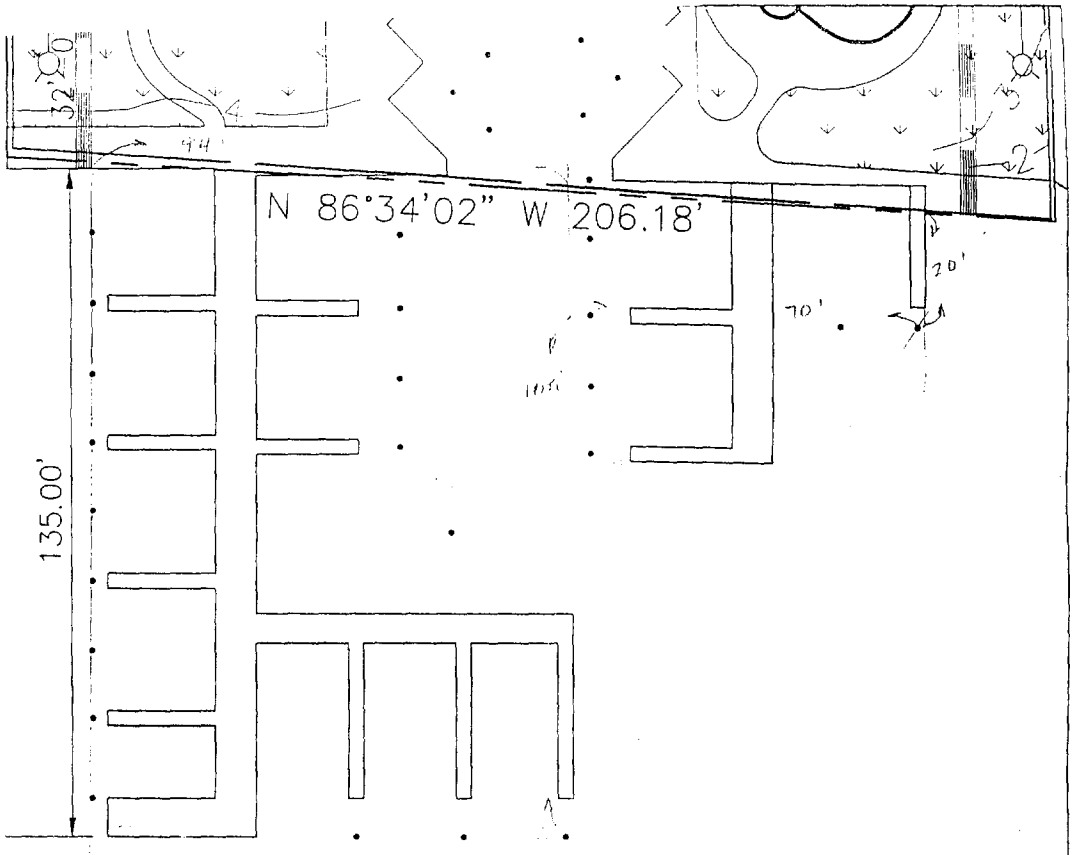
STATE OF Louisiana)
East Baton Rouge PARISH COUNTY)

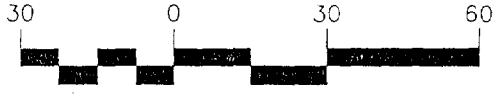
I, the undersigned Notary Public in and for said State and County, hereby certify that John A. Graves & Russell Washer whose name as co-managers of Bayshore Tower Partnership is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in his capacity as such official of Bayshore Tower Partnership, executed the same voluntarily for and as the act of Bayshore Tower Partnership on the day the same bears date.

Given under my hand and seal this the 19th day of December, 20 00.

Tammeyn M Smith
Notary Public

This Instrument Prepared by:
Otis J. Goodwyn, Chief Legal Counsel
Department of Conservation and Natural Resources
State of Alabama
64 North Union Street
Montgomery, Alabama 36130





EVANS-GRAVES ENGINEERS, INC.
ENGINEERING CONSULTANTS 9800 AIRLINE HWY. BATON ROUGE, LA. 70816 (225) 926-1620

EXHIBIT A

RIPARIAN EASEMENT NO. 00-003
Bayshore Tower Partnership, Grantee

17,295 Sq. Ft. State-Owned Submerged Lands
Terry Cove, Orange Beach

BALDWIN COUNTY
T09S R05E S12

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Instrument 805543 Page 7of 8

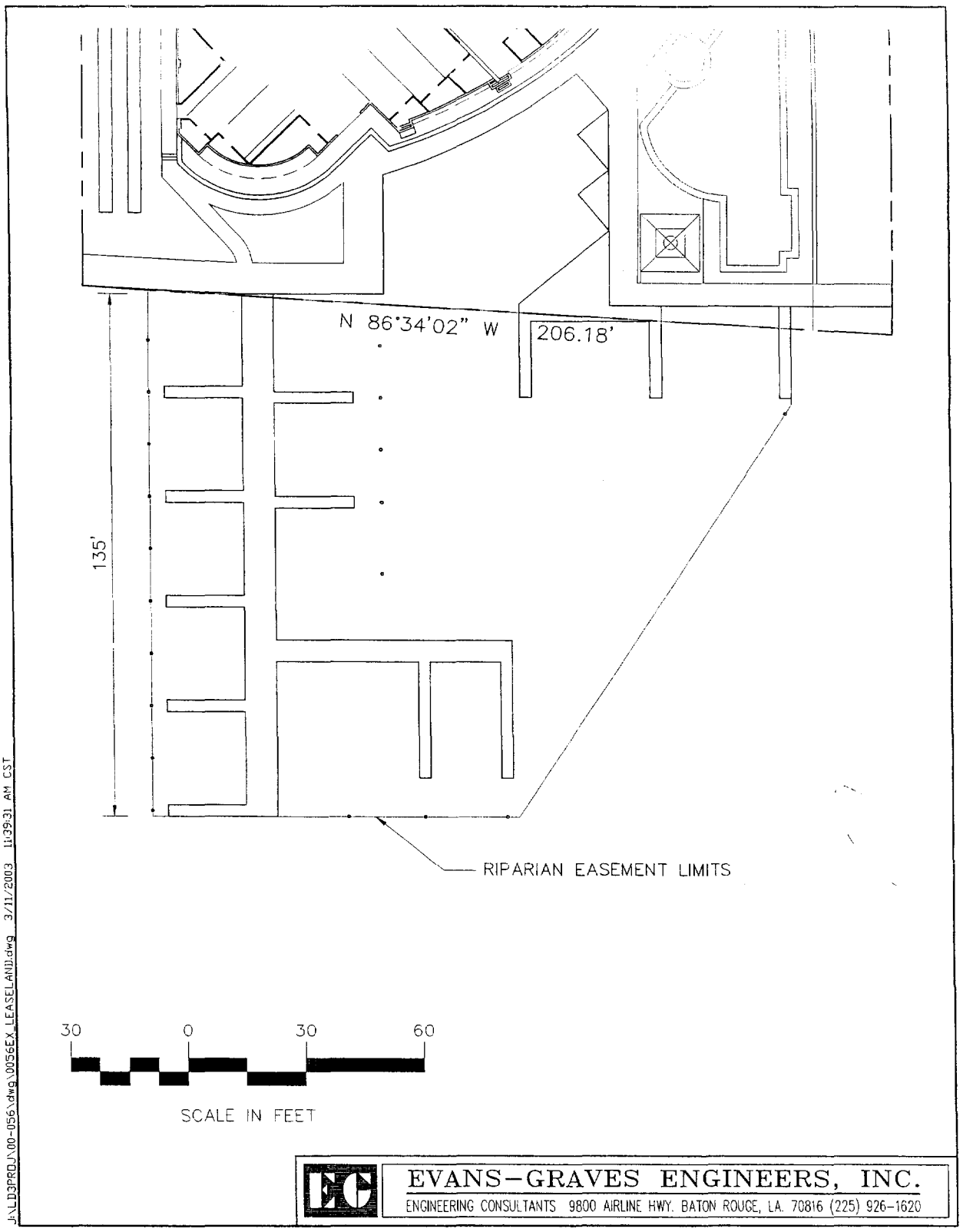

Exhibit "A" to Riparian Easement 00-003
As amended - Bayshore Towers, LLC, Grantee
Baldwin County, Alabama

Exhibit A-2 [Plans and Specifications of the Building]

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BAYSHORE TOWERS
·CONDOMINIUMS·

AMENITIES AND RESIDENCE STANDARD FEATURES

Just imagine..sunrise shimmering on the crystal waters...ocean breezes whispering through the majestic oak trees..glorious sunsets painting brilliant reflections on the water..evening lights of the distant skyline..making every moment count for the good life..at BAYSHORE TOWERS CONDOMINIUMS with Amenities like...

LIVING ROOM/DINING AREA
Crown Molding
18"x18" Porcelain Tile
Dramatic 10' ceilings floors 1-12
Floor to ceiling windows facing Bay and Gulf
Natural Gas Fireplace, Optional

TERRACES
18"x 18" Porcelain Tile
Natural Gas Built-in grill, Optional

KITCHEN
18"X18" Porcelain Tile
G.E. Monogram Series Appliances or Equal
Designer Cabinets painted white
Designer Granite Countertops
Undermount Stainless Steel Double Sinks
Built-in Microwave

LARGE UTILITY ROOM
Full size Washer/Dryer
Storage Shelves

MASTER BEDROOM & BATH
Upgrade Carpet in Bedroom
Porcelain Tiled Bath
Large Whirlpool Tub
Large Master Shower w/custom designed enclosure
Custom vanities with integral sinks
Crown Molding in Bedroom on Summit Level I & II

GUEST BEDROOMS & BATH
Upgrade Carpet in Bedrooms
Porcelain Tiled Bath
Custom vanities with integral sinks
Crown Molding in bedroom on Summit Level I & II

OTHER AMENITIES
Oversized High Speed Elevators
8 Foot Entry Door
Solid Core Doors except Closets
Energy Efficient Air Conditioning
Spacious Floor Plans with tiled foyer
Secure Gated Entry to Bayshore Towers
Boat Slips, Optional
Health Club/Heated Indoor Pool Spa
Community Suite/Board Room
Two Tennis Courts with Pavilion
Two beautifully landscaped outdoor pools w/cooking facilities
...One 25 meter Heated Olympic Lap Pool/One Lagoon Pool
54 Ground Level under building parking spaces, Optional
Arbor-covered Parking outside building, Optional
Open Surface Parking Included

All this along with easy access to some of the nations top-rated championship golf courses, famous salt-water fishing and charters, boating and water sports, outstanding seafood restaurants and great area shopping available ...Opportunities for culture enrichment abound with local art festivals, wildlife refuges, community theatre, and historic landmarks

.... BAYSHORE TOWERS....

ABOVE IT ALL!!!!

Bayshore Towers
28250 Canal Road
Orange Beach, AL 36561
334.981.3008
877.518.3008

ARCHITECT'S CERTIFICATION
BAYSHORE TOWERS CONDOMINIUM
ORANGE BEACH, ALABAMA

I, the undersigned, L. Russell Washer, a Registered Professional Architect in the State of Alabama, Registration No. 4646, hereby certify that the three units of Bayshore Towers Condominium, as described in the declaration of condominium, have been completed in substantial compliance with the plans therefor, copies of which are attached hereto, and I further do certify that each of the units as described in the declaration are substantially completed and that the plans attached hereto, together with the site plan attached hereto, are intended in the aggregate to contain all the information required by §35-8A-209 Code of Alabama, 1975, which is not otherwise contained in the declaration of condominium.

This the 26 day of April, 2004.

L. Russell Washer

L. RUSSELL WASHER
ARCHITECT

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

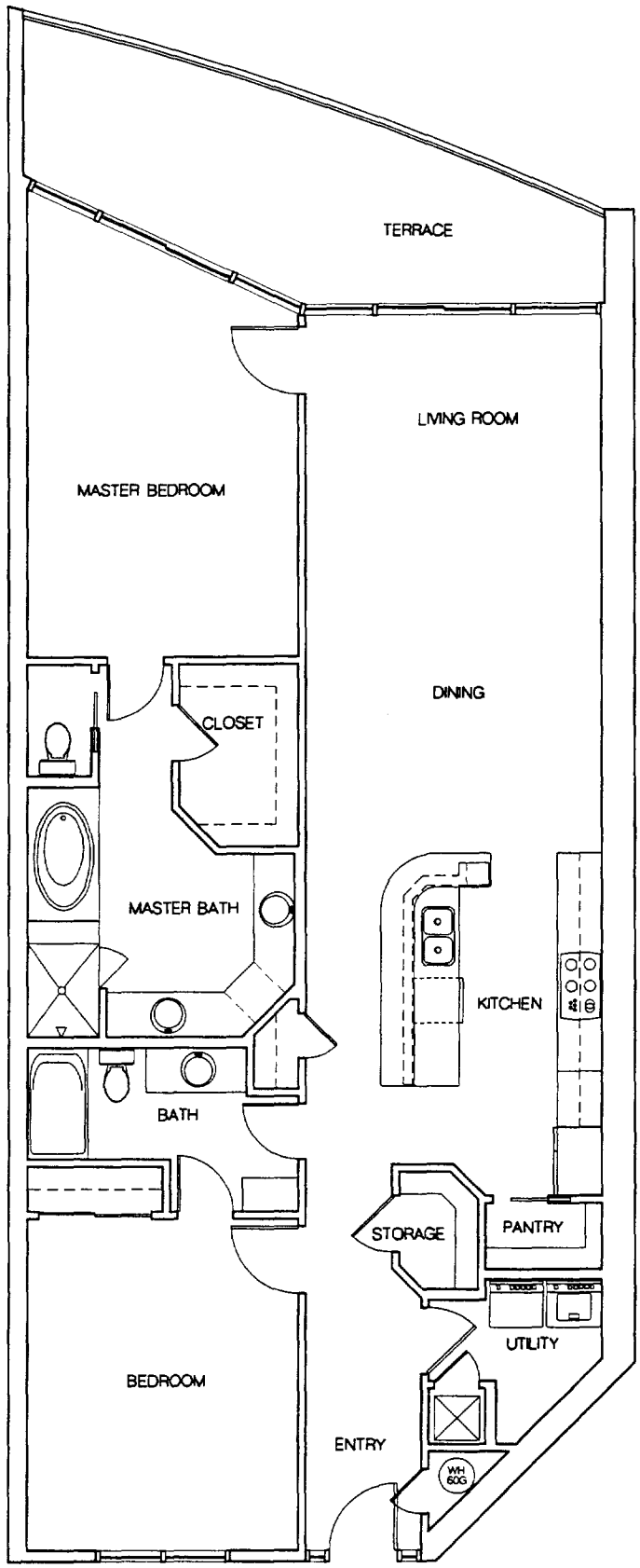
805673

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

2004 April -28 3: 9PM

Instrument Number 805673 Pages 54
Recording 540.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns. Judge of Probate

Apt - 22
page 269



ANTIGUA
UNIT A

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LIVING 1429 sq.ft.
TERRACE 202 sq.ft.

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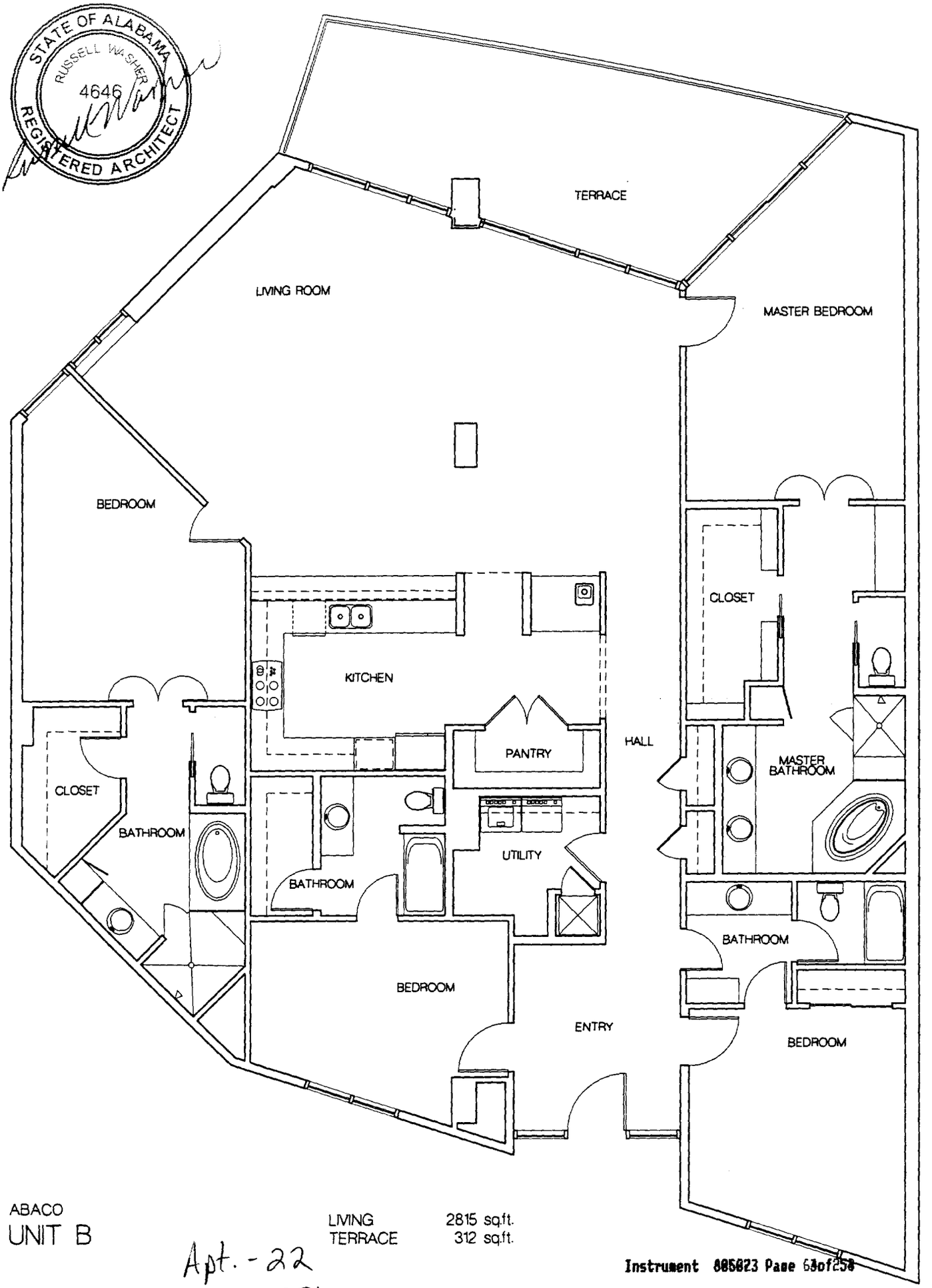
Instrument 805673 Page 261 of 94

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

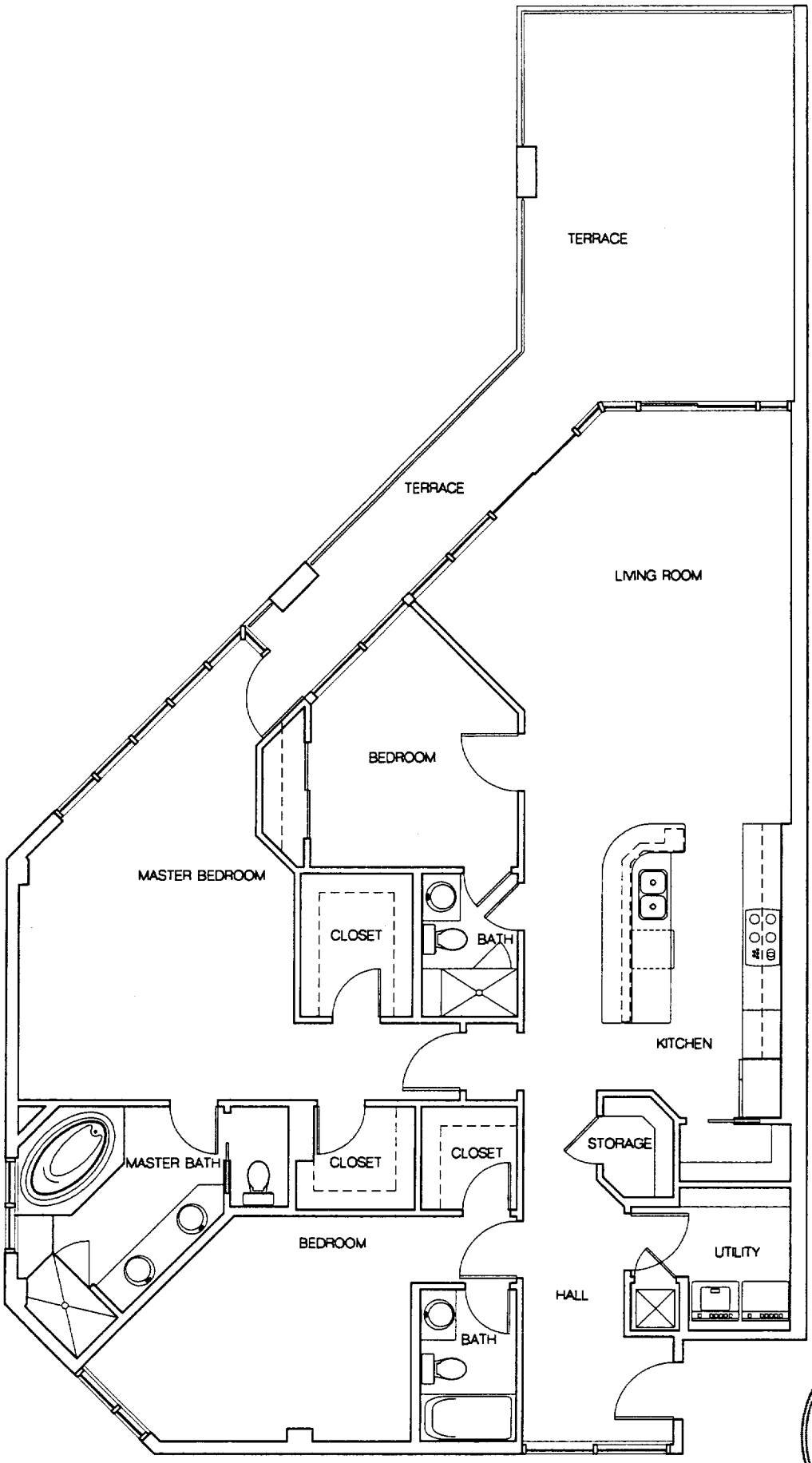
STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT



ABACO
UNIT B

LIVING	2815 sq.ft.
TERRACE	312 sq.ft.

Apt. - 22
page 271

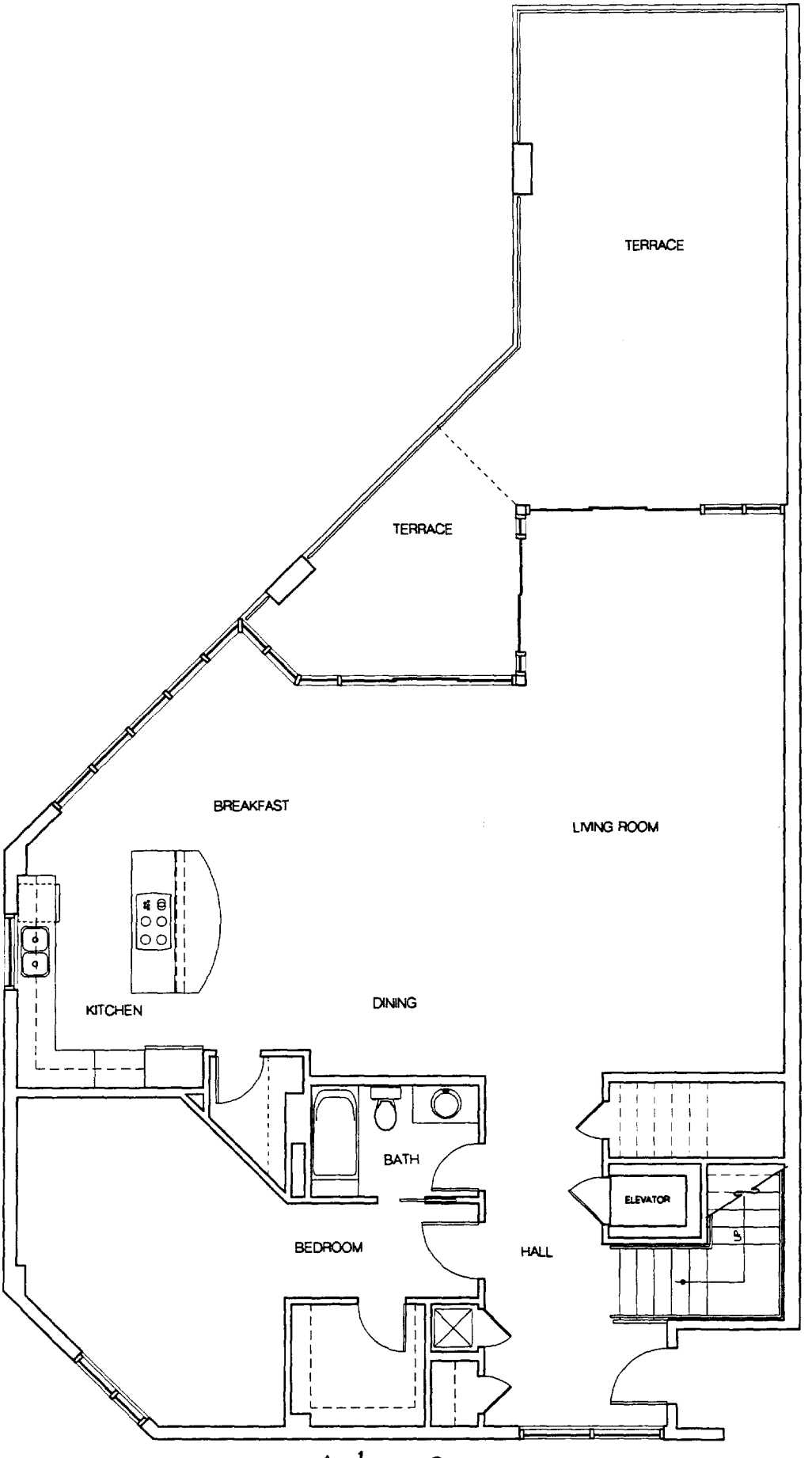


MARTINIQUE
UNIT C1

Apt.- 22
page- 272

LIVING 1745 sq.ft.
TERRACE 390 sq.ft.

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT



ST. MARTIN
UNIT C2L

Apt. 22
page - 273

LIVING 1610 sq.ft.
TERRACE 519 sq.ft.

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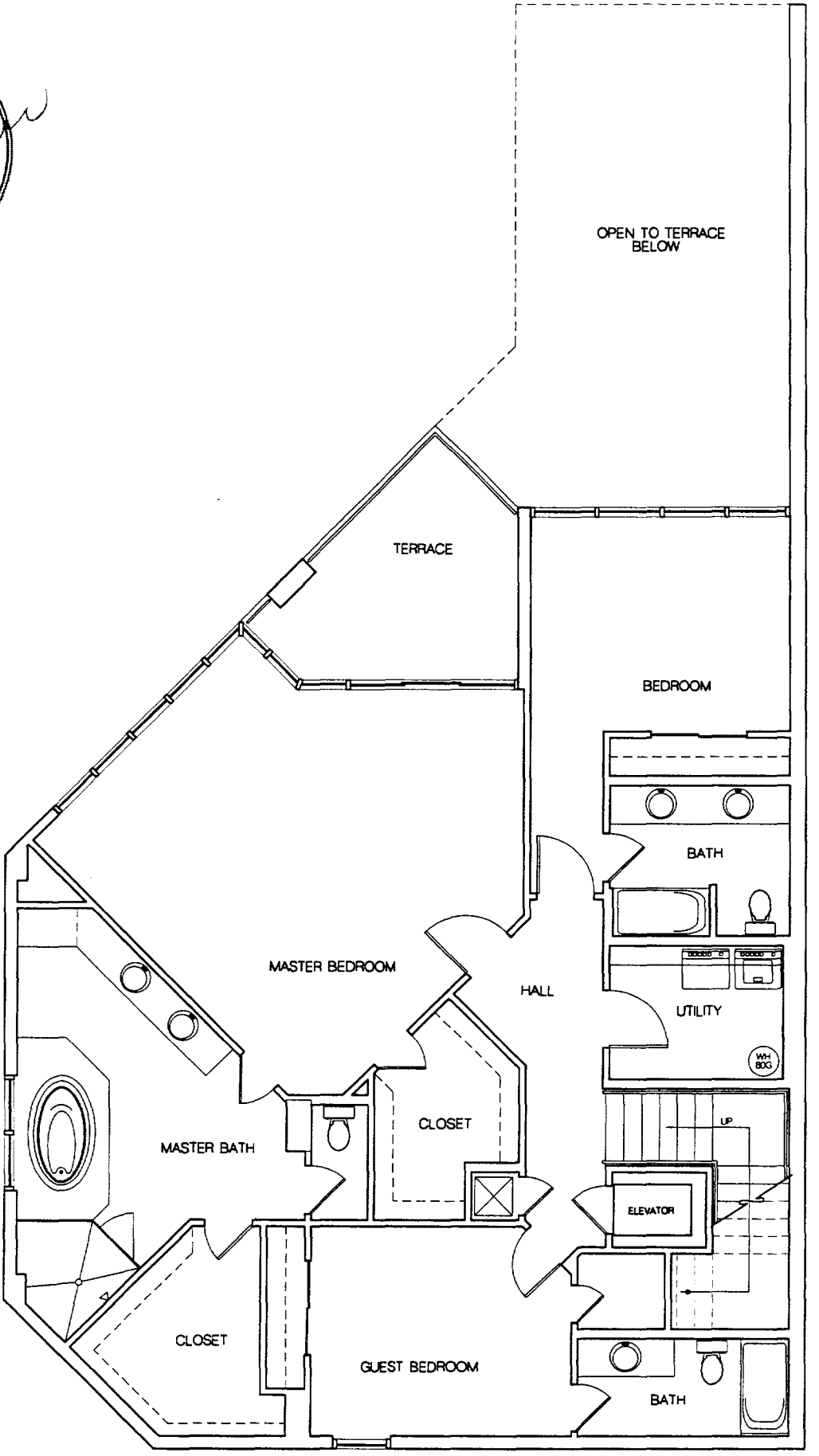
STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT



Apt.-22
page-274

ST. MARTIN
UNIT C2U

LIVING 1665 sq.ft.

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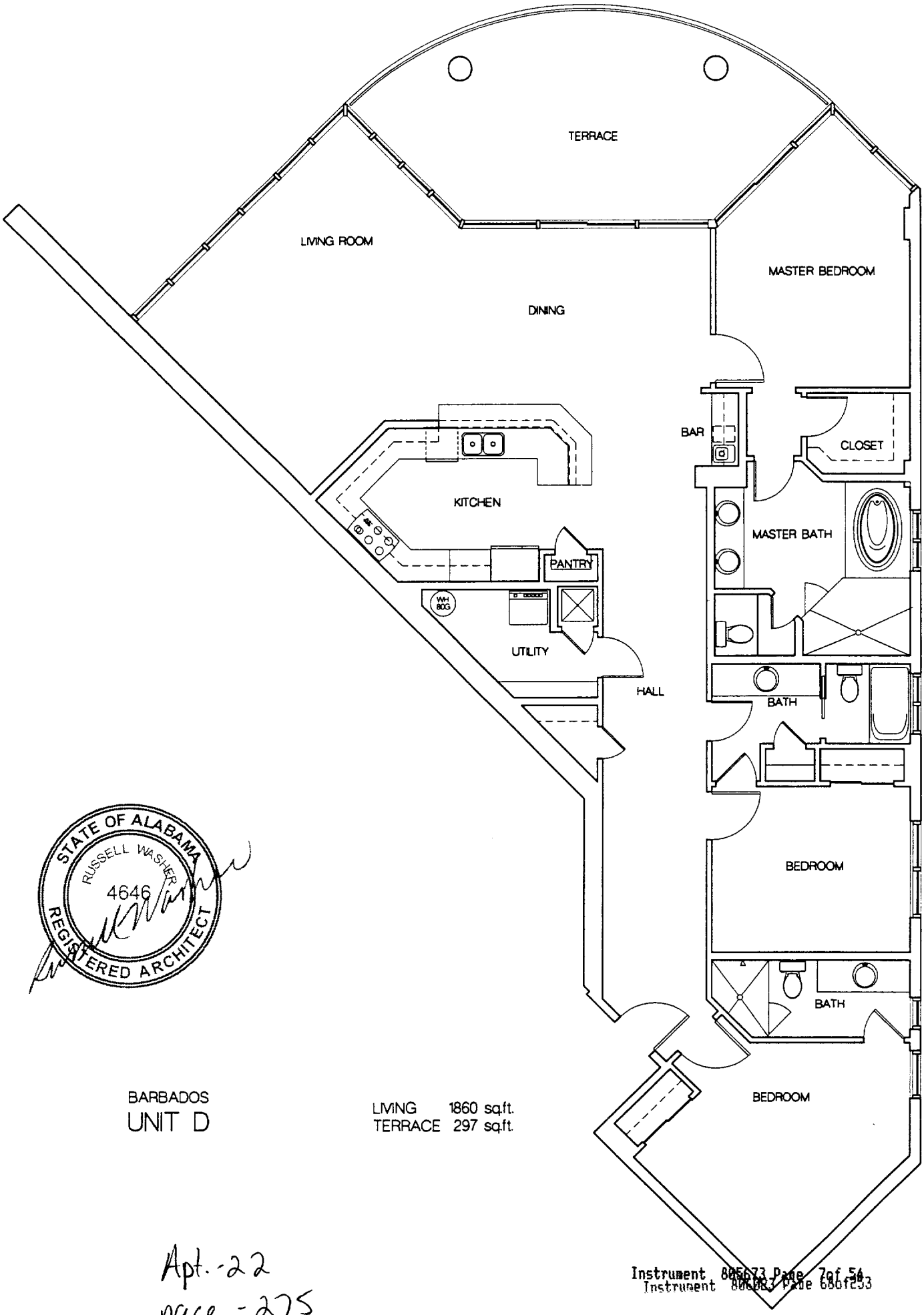
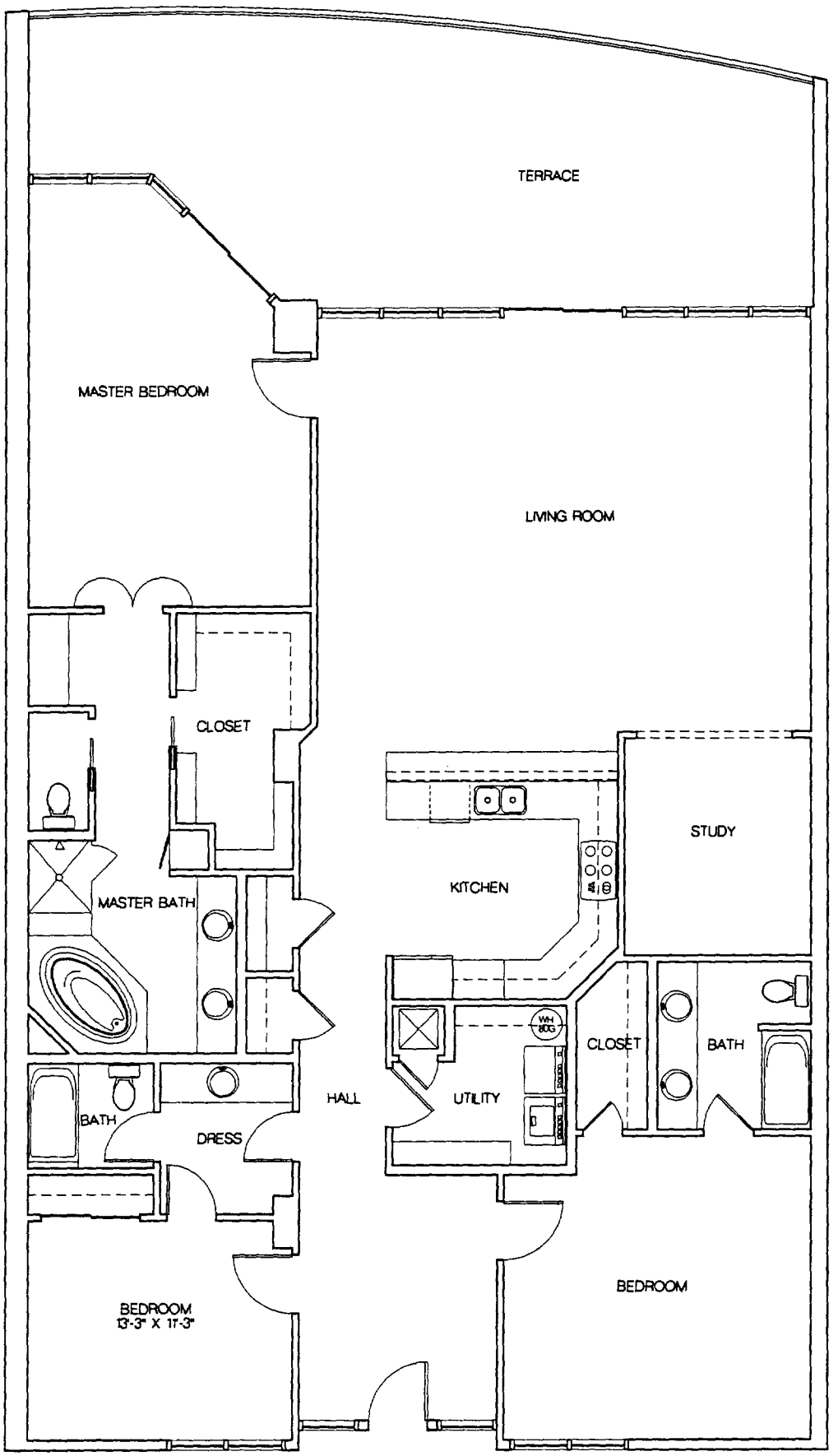
Instrument 406623 Page 6 of 53



BARBADOS
UNIT D

LIVING 1860 sq.ft.
TERRACE 297 sq.ft.

Apt.-22
page -275



STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

BISCAYNE
UNIT E1

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LIVING 25
TERRACE 502 sq.ft.

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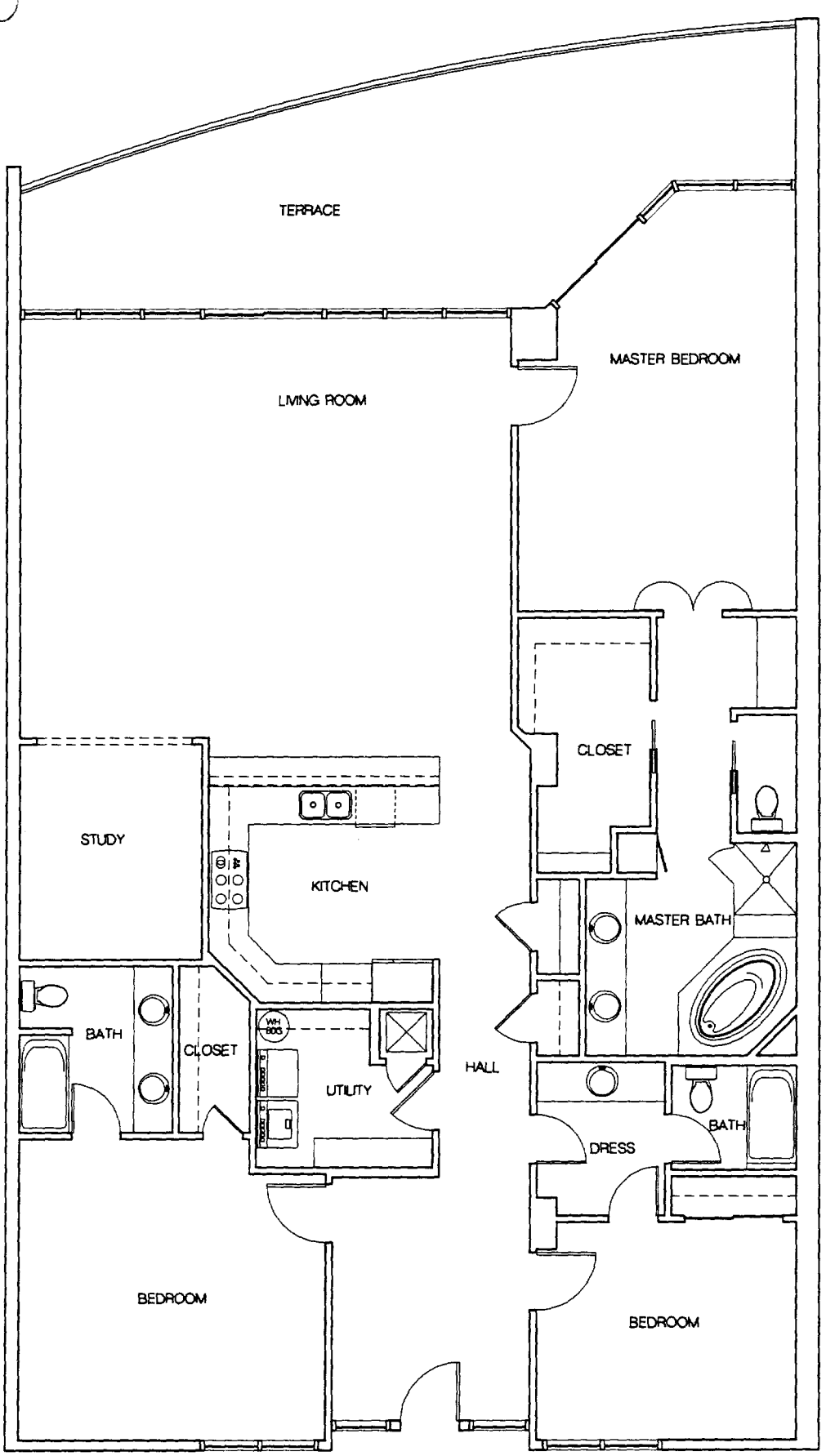
STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT



BISCAYNE
UNIT E2

Apt.- 22
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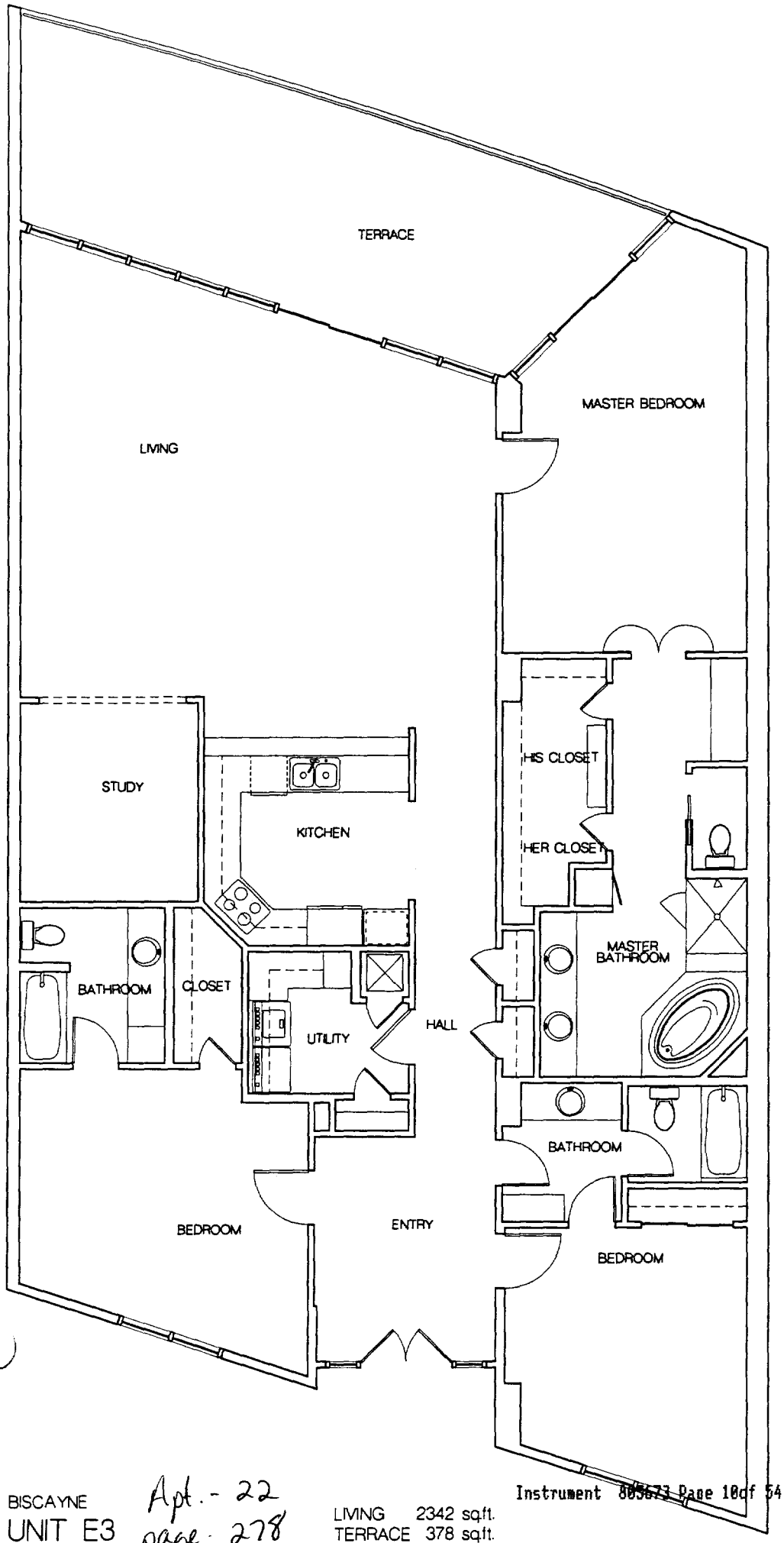
LIVING 2310 sq.ft.
TERRACE 395 sq.ft.



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STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

BISCAYNE
UNIT E3

Apt. - 22
page - 278

LIVING 2342 sq.ft.
TERRACE 378 sq.ft.

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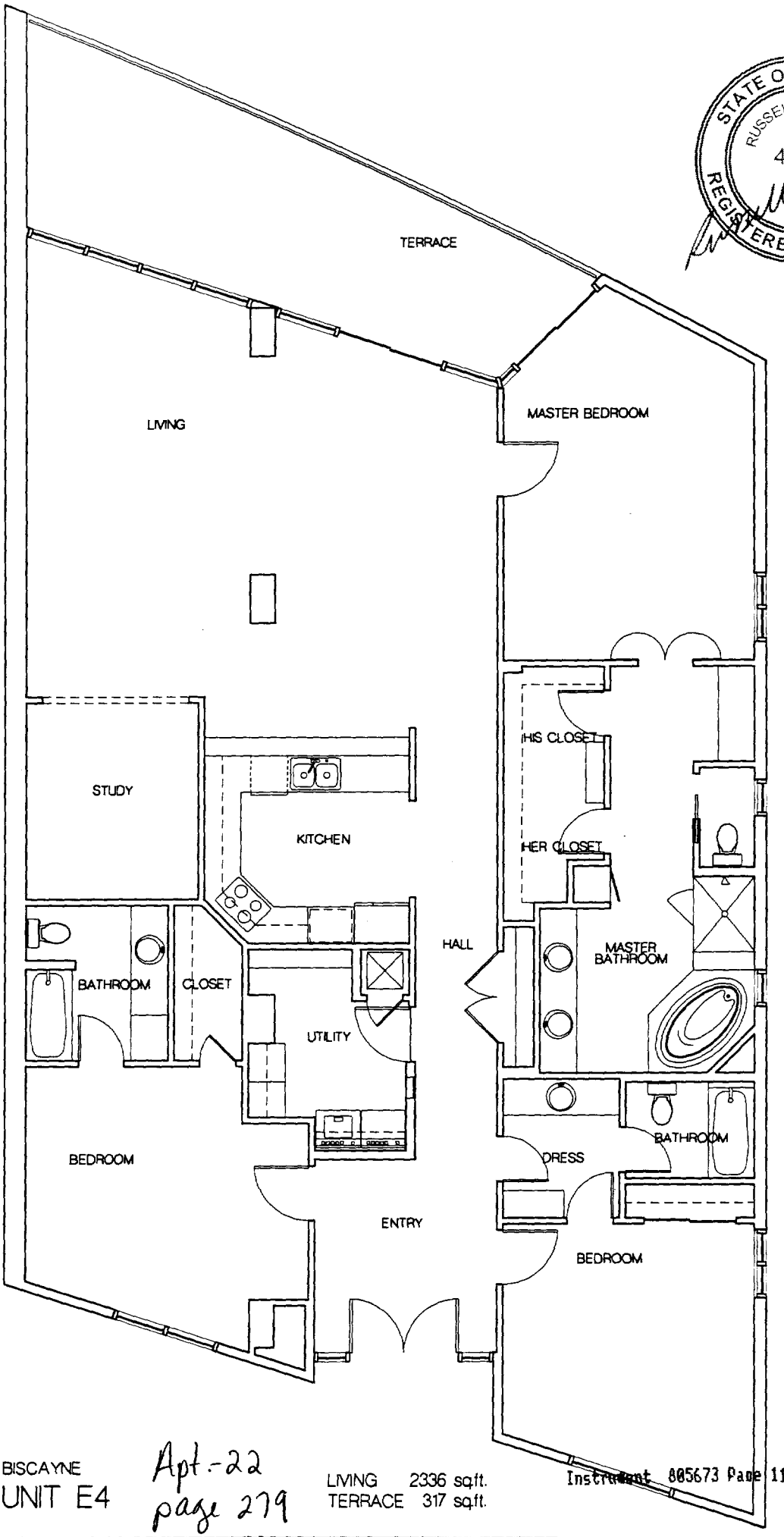
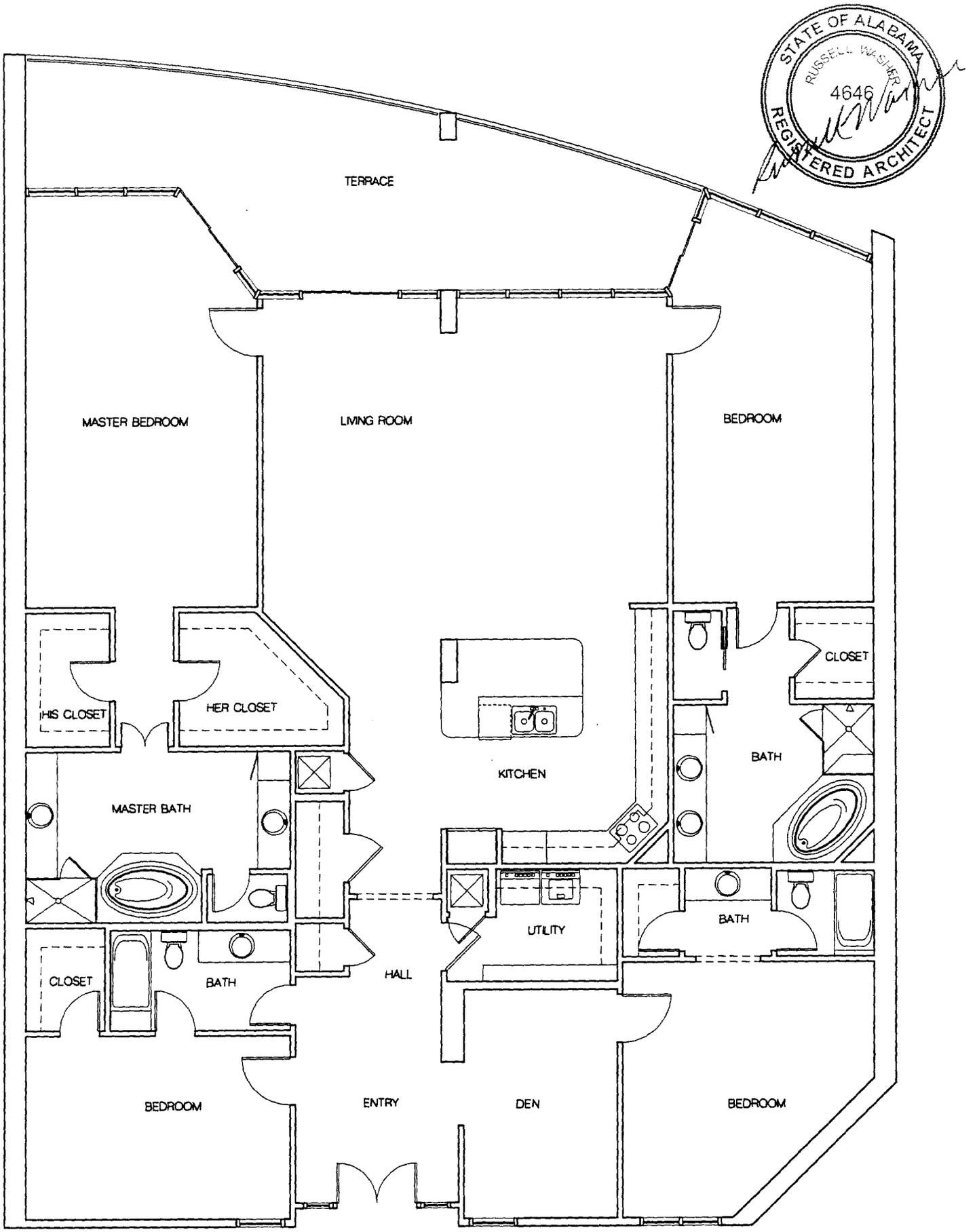


STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

BISCAYNE
UNIT E4

Apt.-22
page 279

LIVING 2336 sq.ft.
TERRACE 317 sq.ft.



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ST. KITTS
UNIT F1

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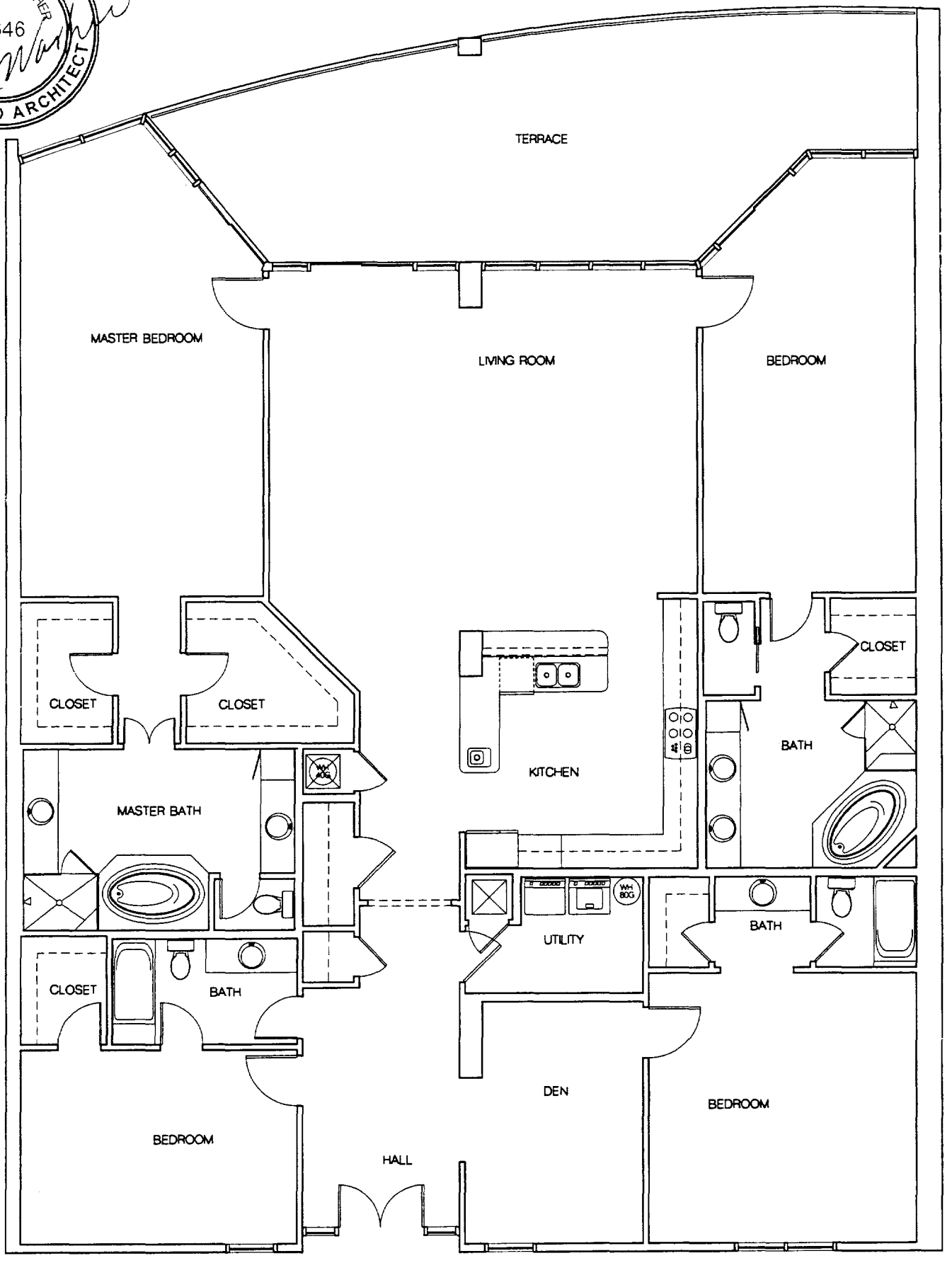
LIVING 806 805 673 Page 12of 54
TERRACE 407 sq.ft.

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT



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ST. KITTS
UNIT F2

Apt. - 22
page - ~~280~~ 281

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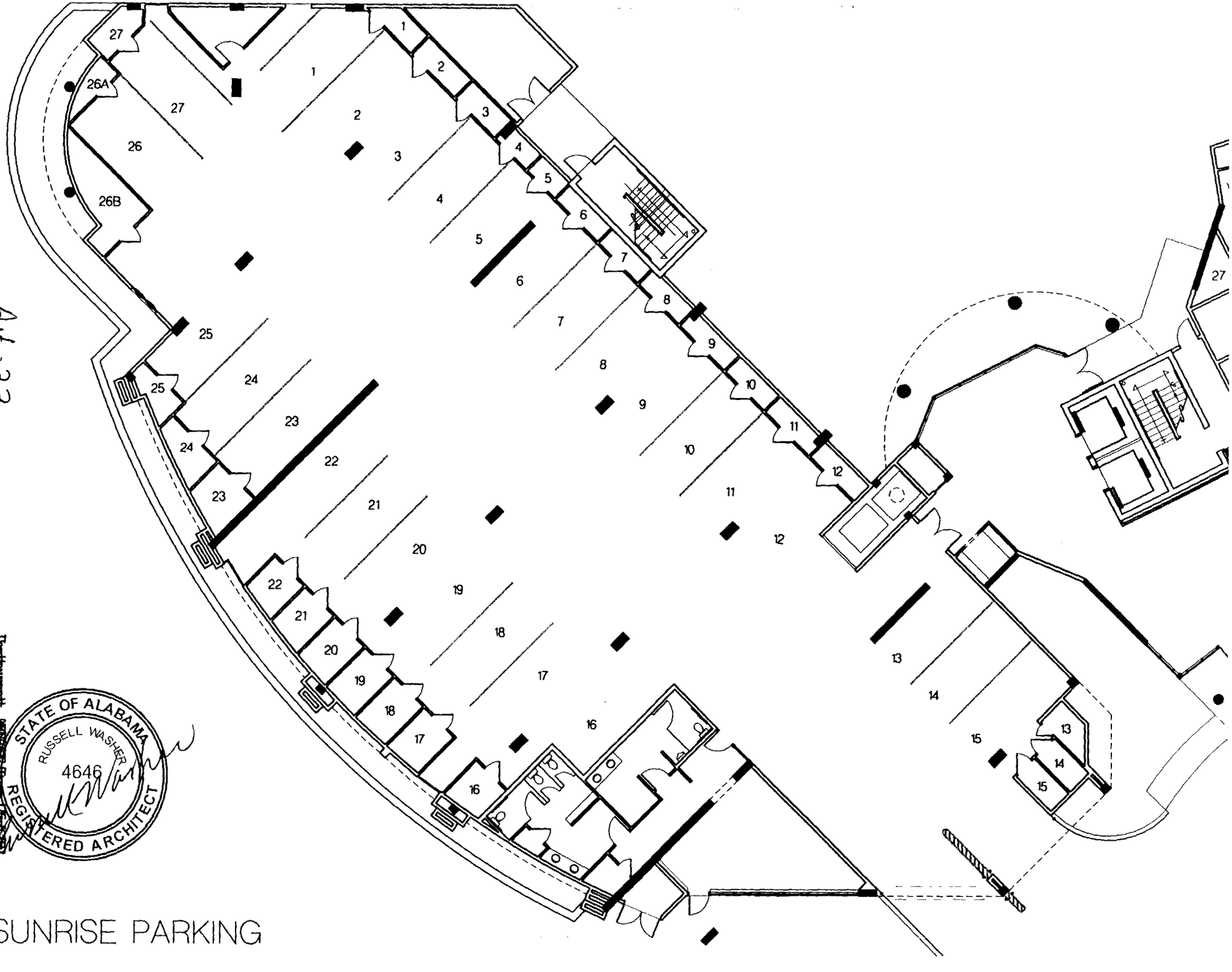
LIVING 3160 sq.ft.
TERRACE 500 sq.ft.

Apt. 22
page - 282



STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

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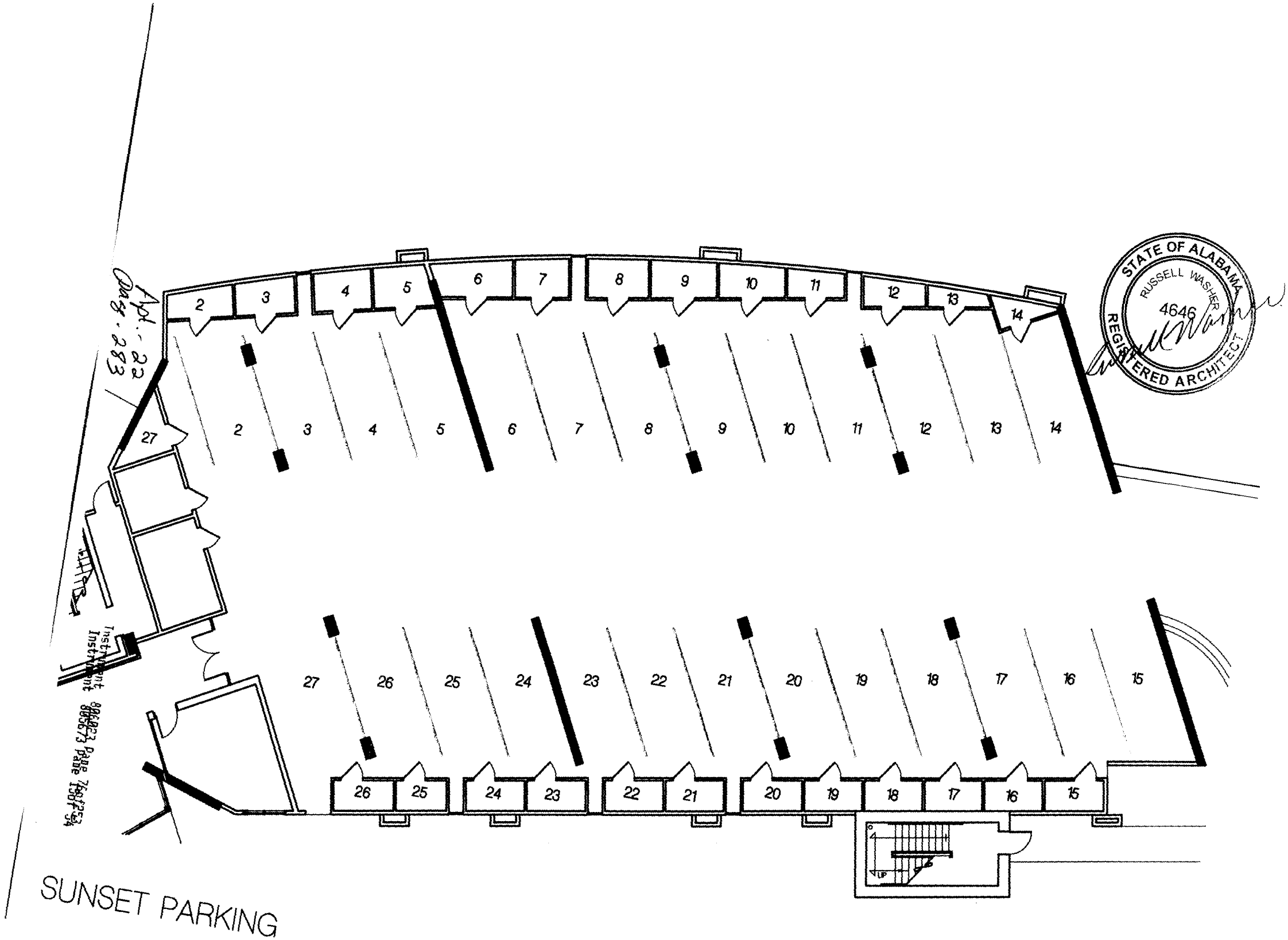
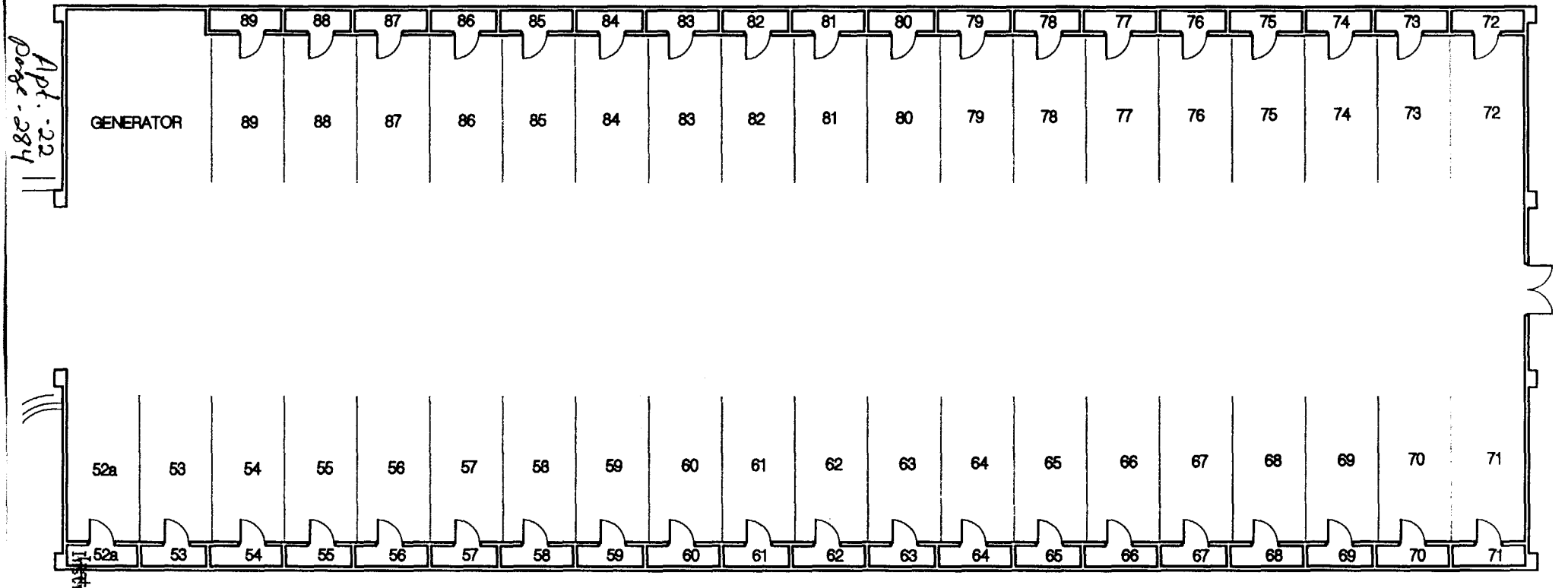
SUNRISE PARKING



SUNSET PARKING

Apt. 22
Page 284

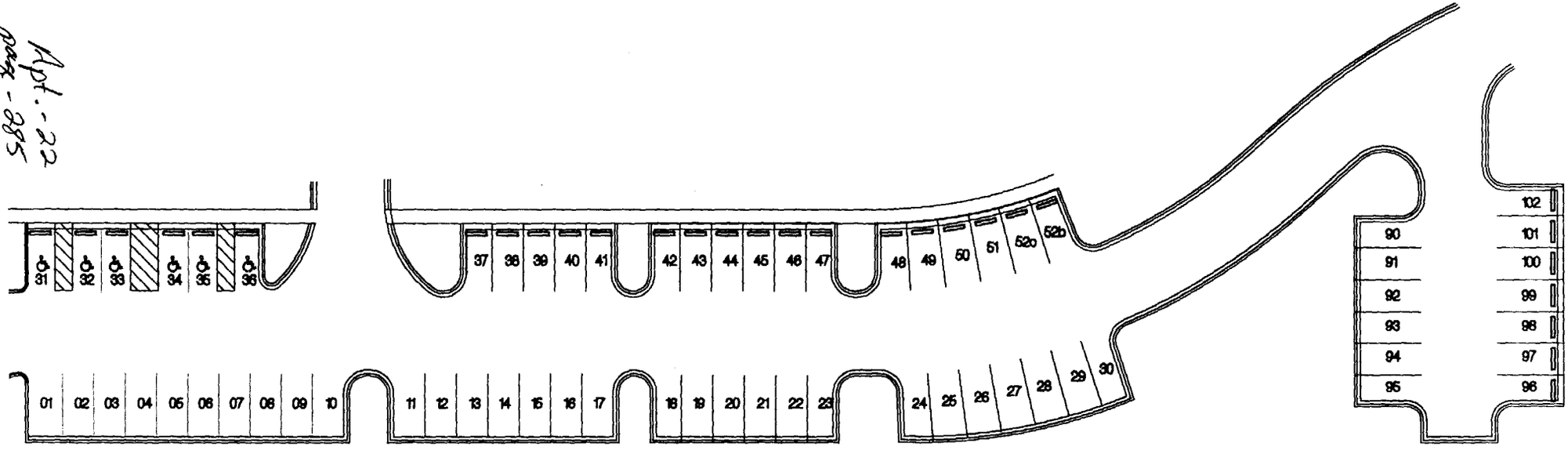


Instrument [illegible] Page [illegible] of 284

STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

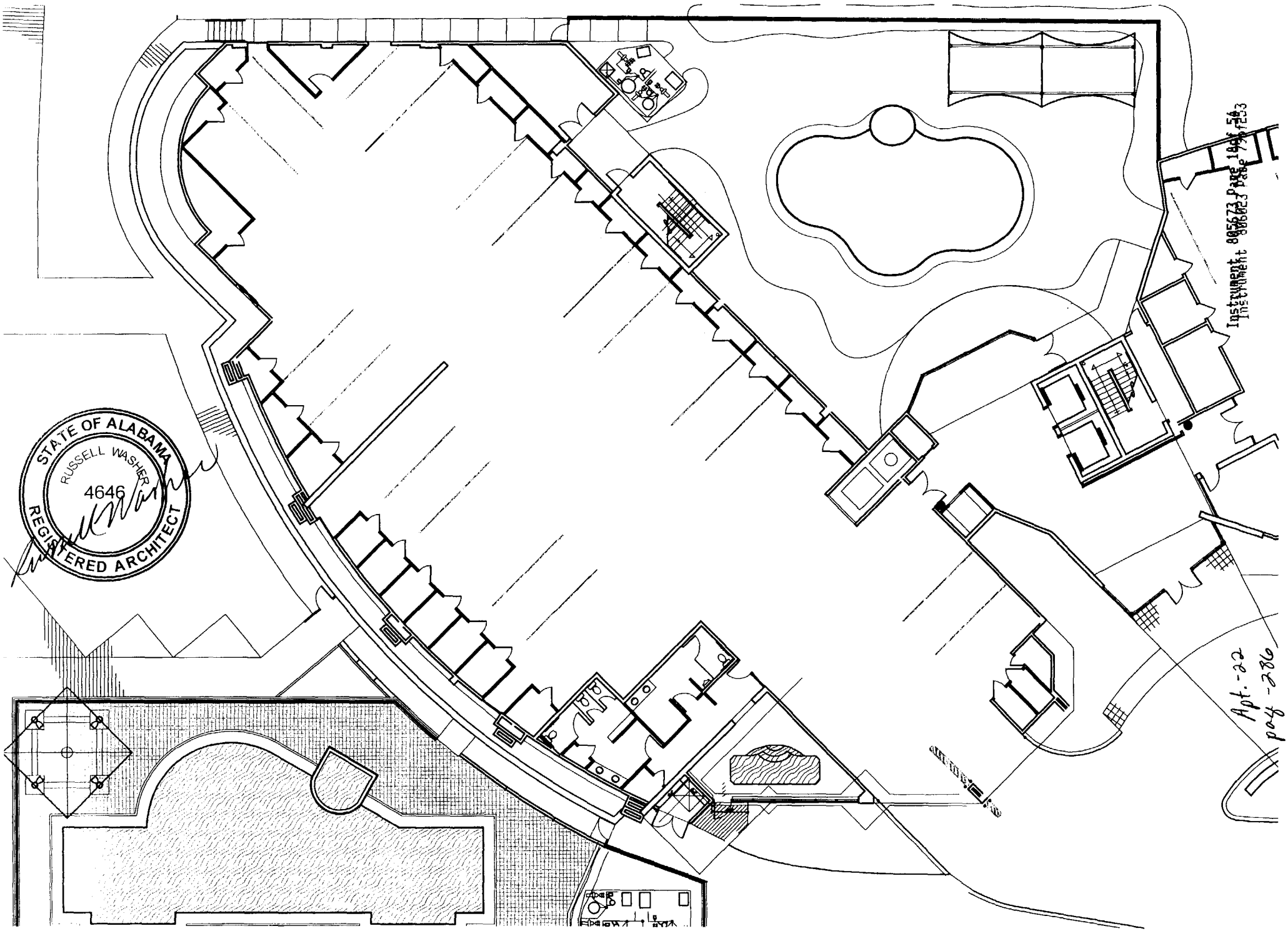
EXTERIOR PARKING STRUCTURE

Apt.-22
pag-285



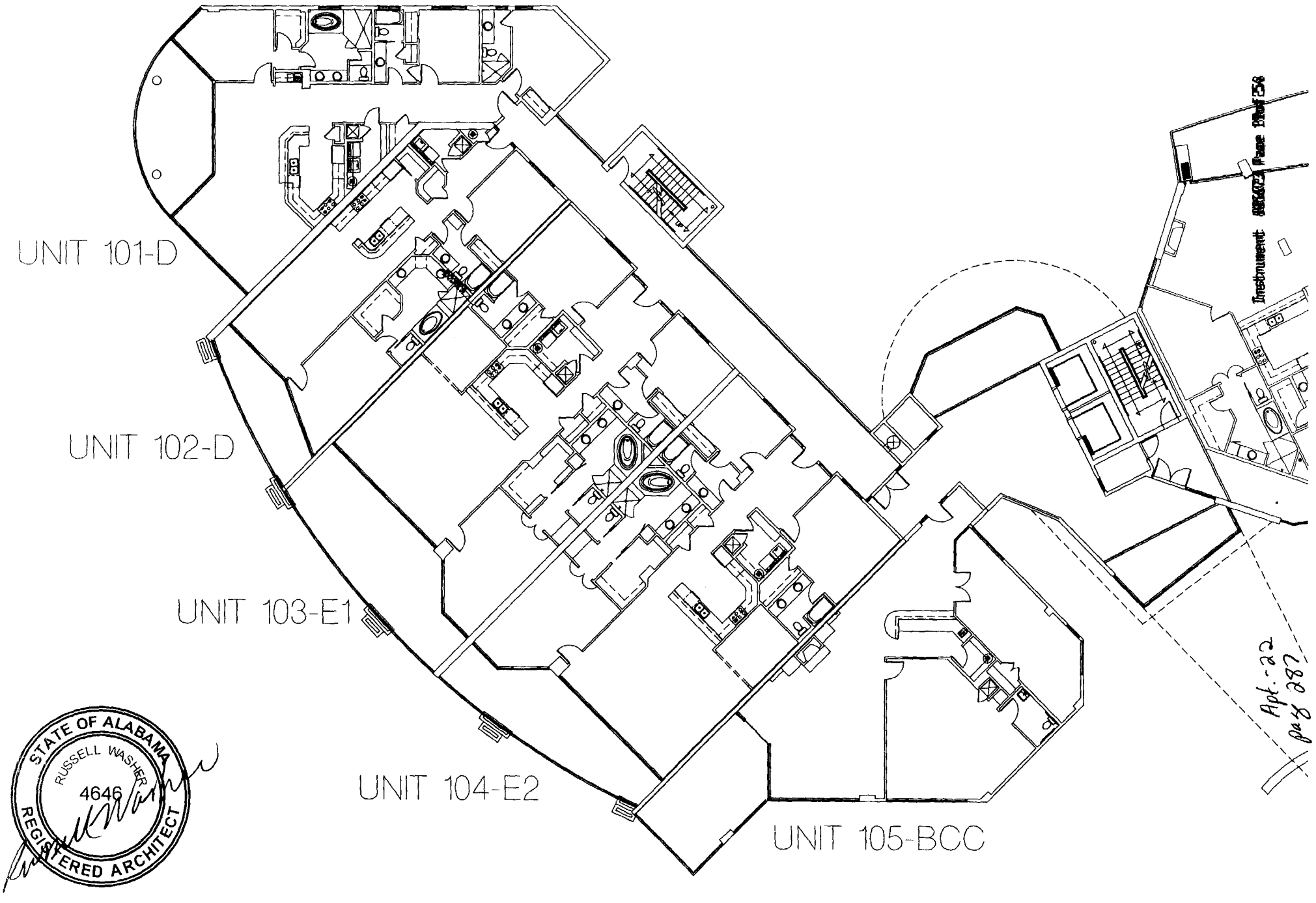
STATE OF ALABAMA
RUSSELL WASHER
4646
REGISTERED ARCHITECT

GROUND PARKING



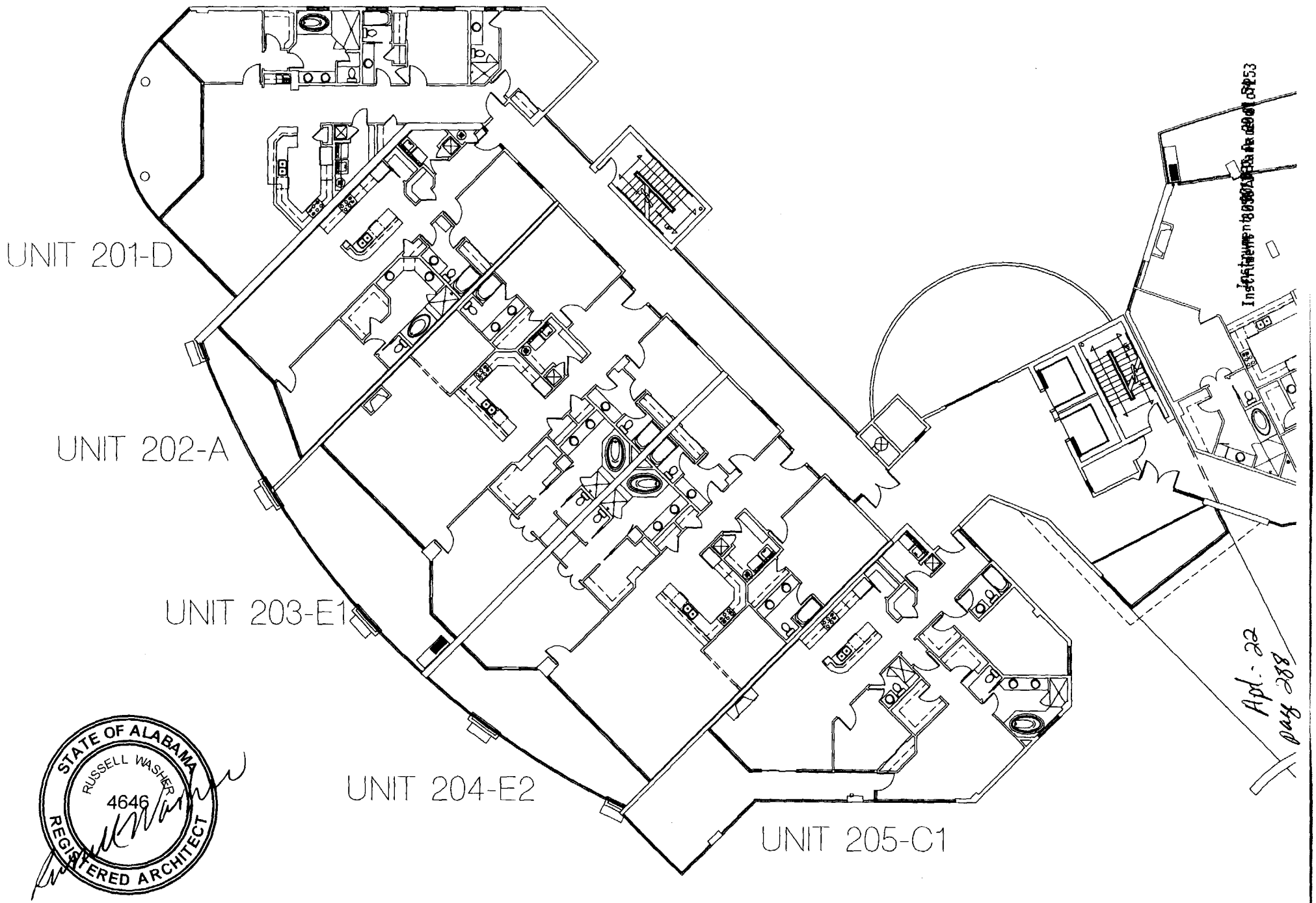
SUNRISE - FLP GROUND

SCALE 3/64" = 1'-0"



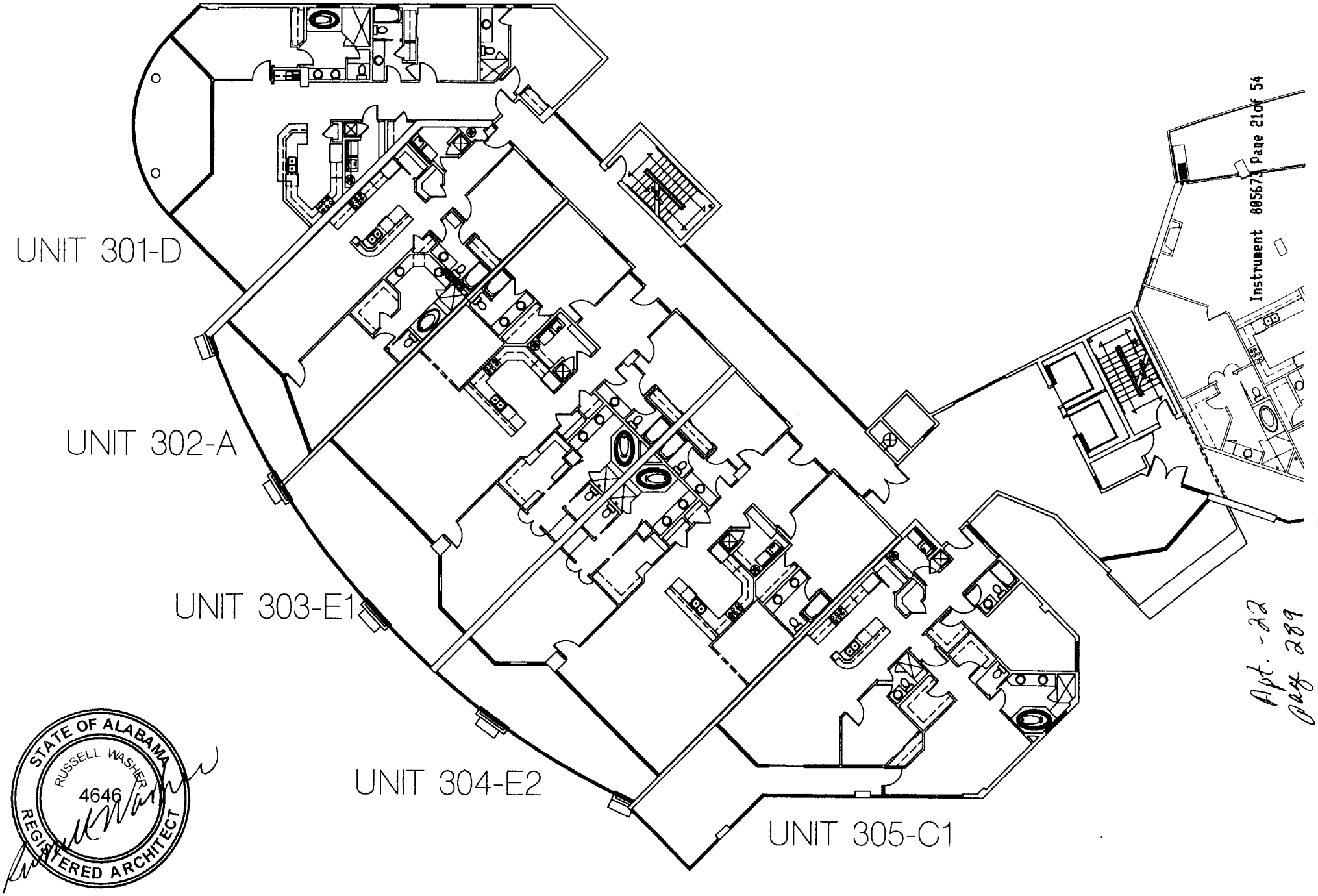
SUNRISE - FLP 01

SCALE 3/64" = 1'-0"



SUNRISE - FLP 02

SCALE 3/64" = 1'-0"



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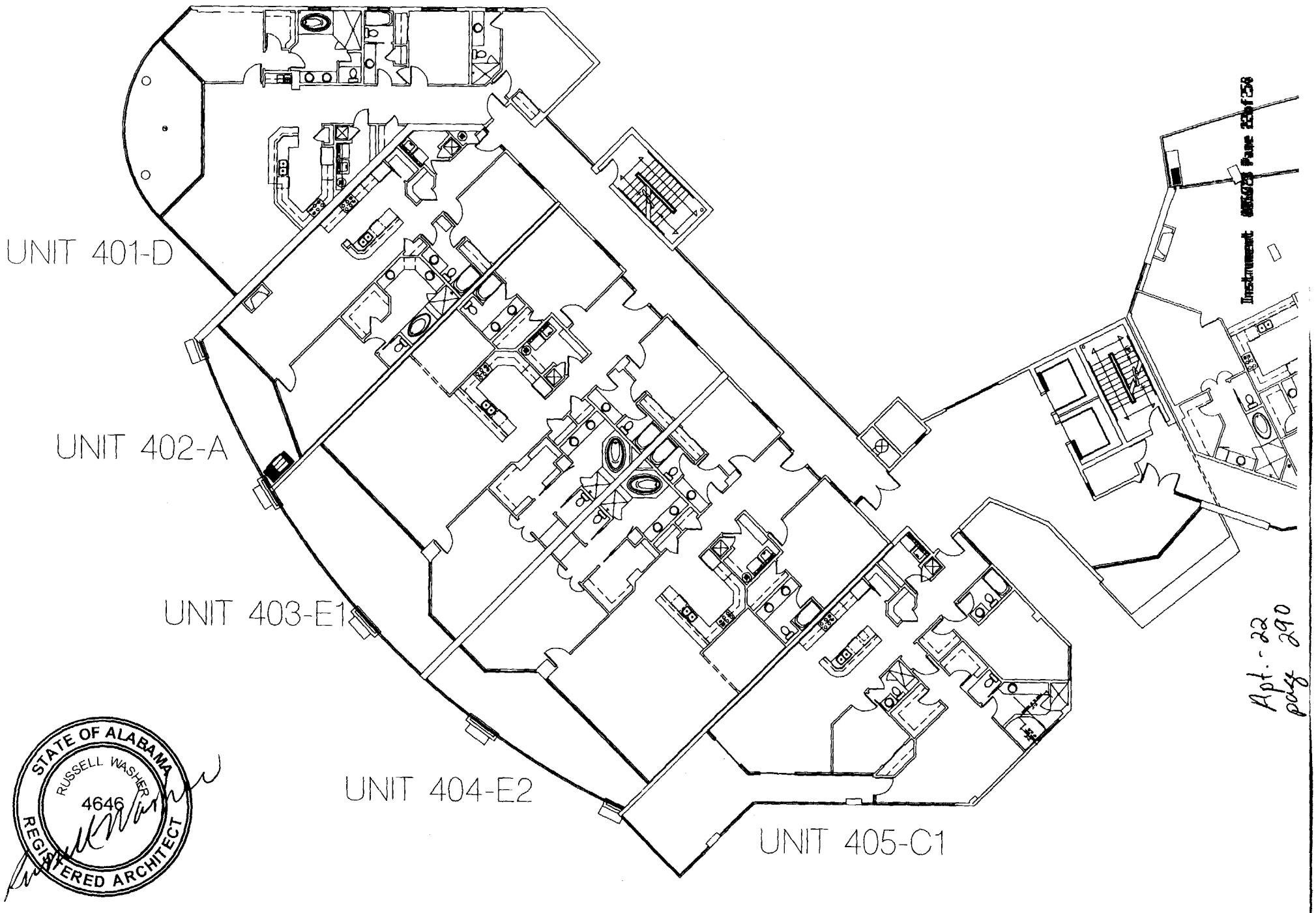
SUNRISE - FLP 03

SCALE 3/64" = 1'-0"



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SUNRISE - FLP 04

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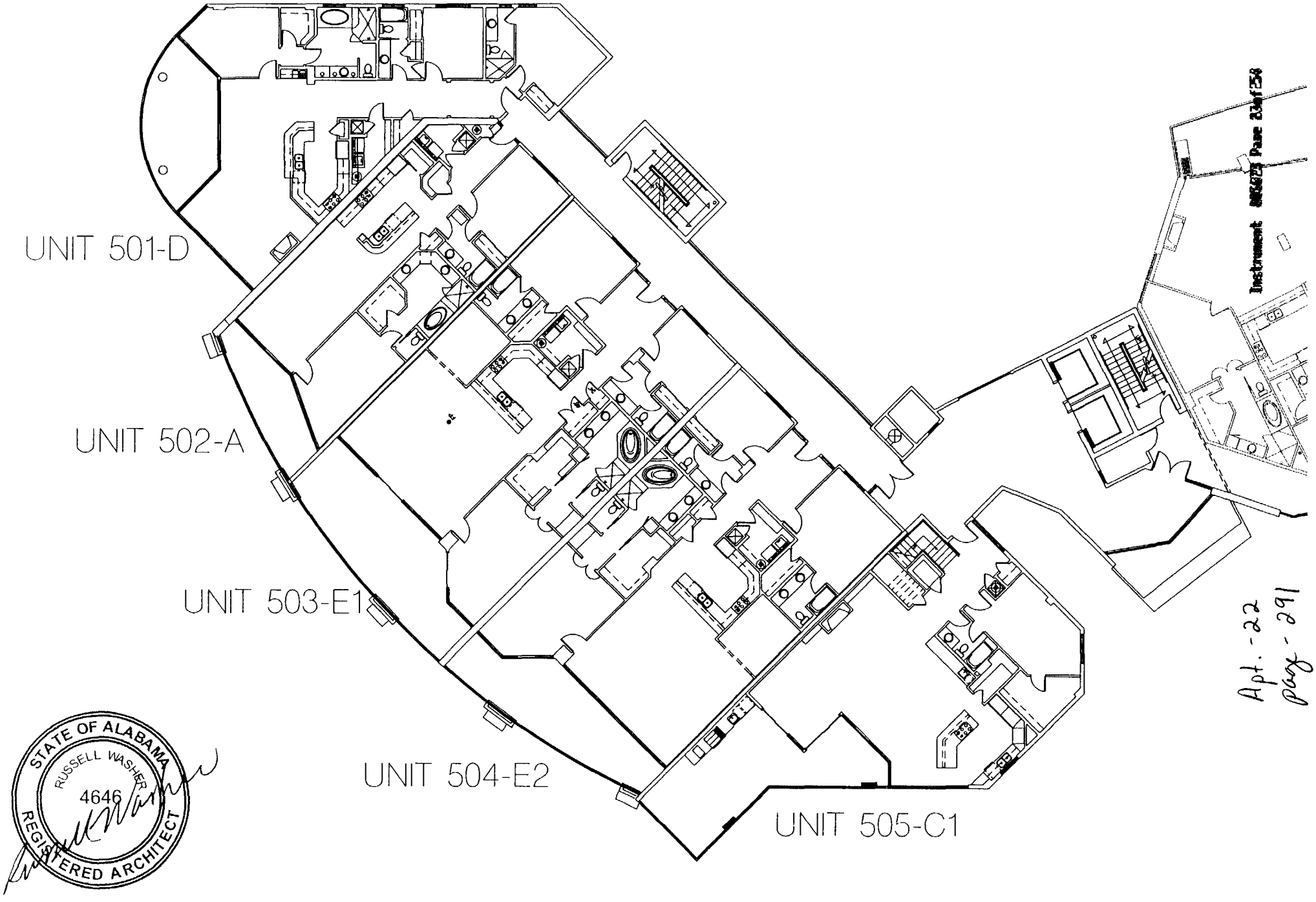

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SUNRISE - FLP 05

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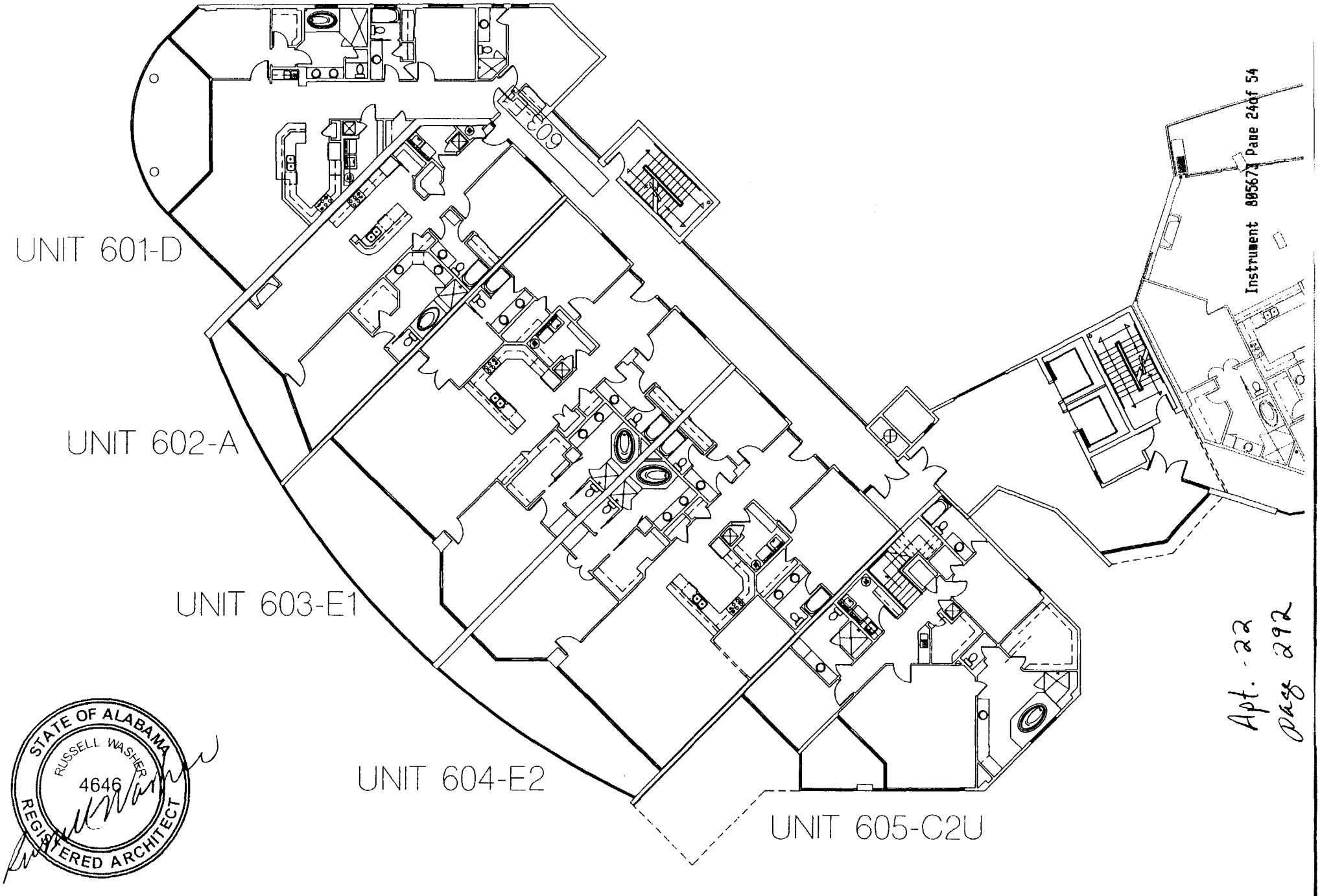

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SUNRISE - FLP 06

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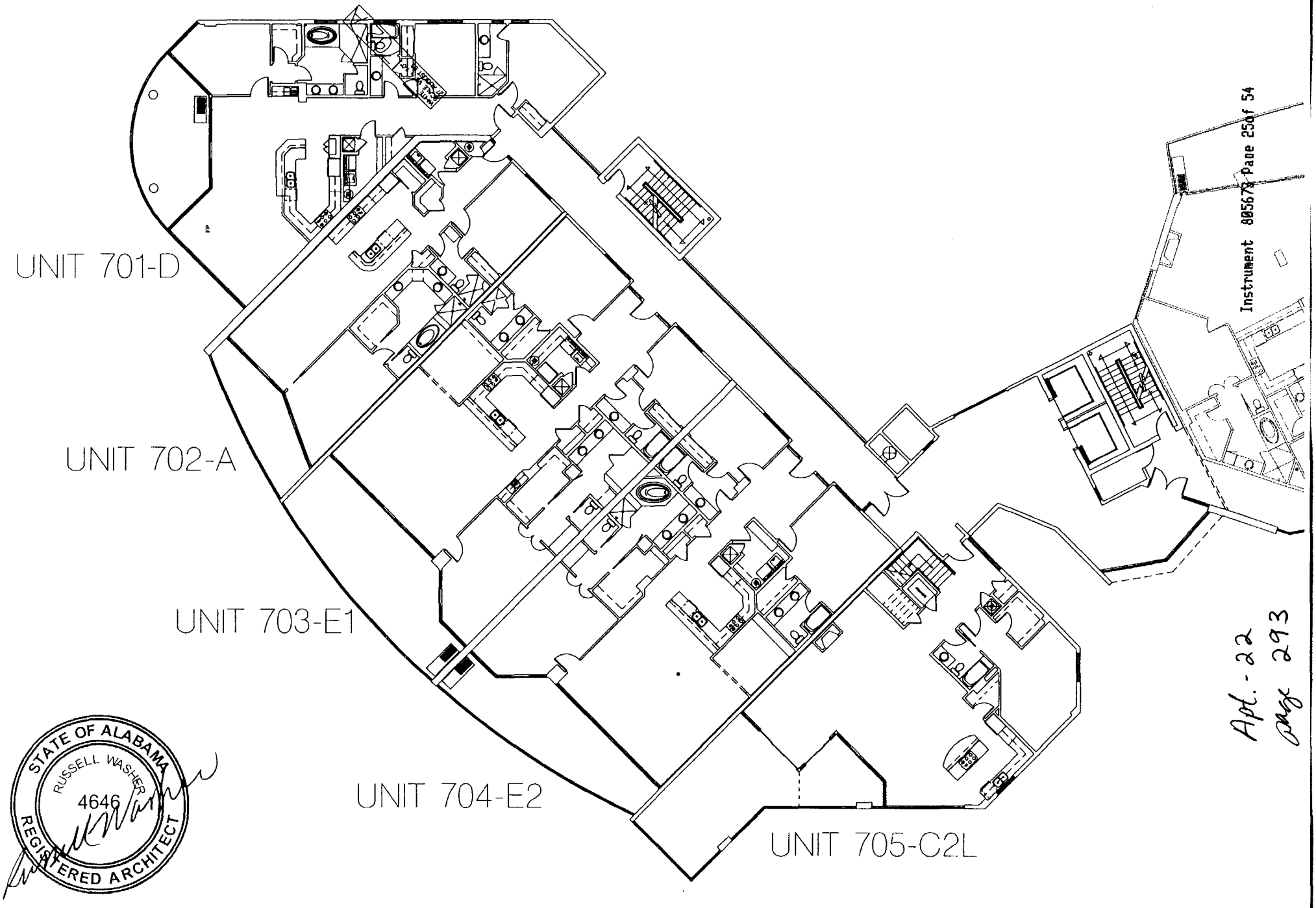

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SUNRISE - FLP 07

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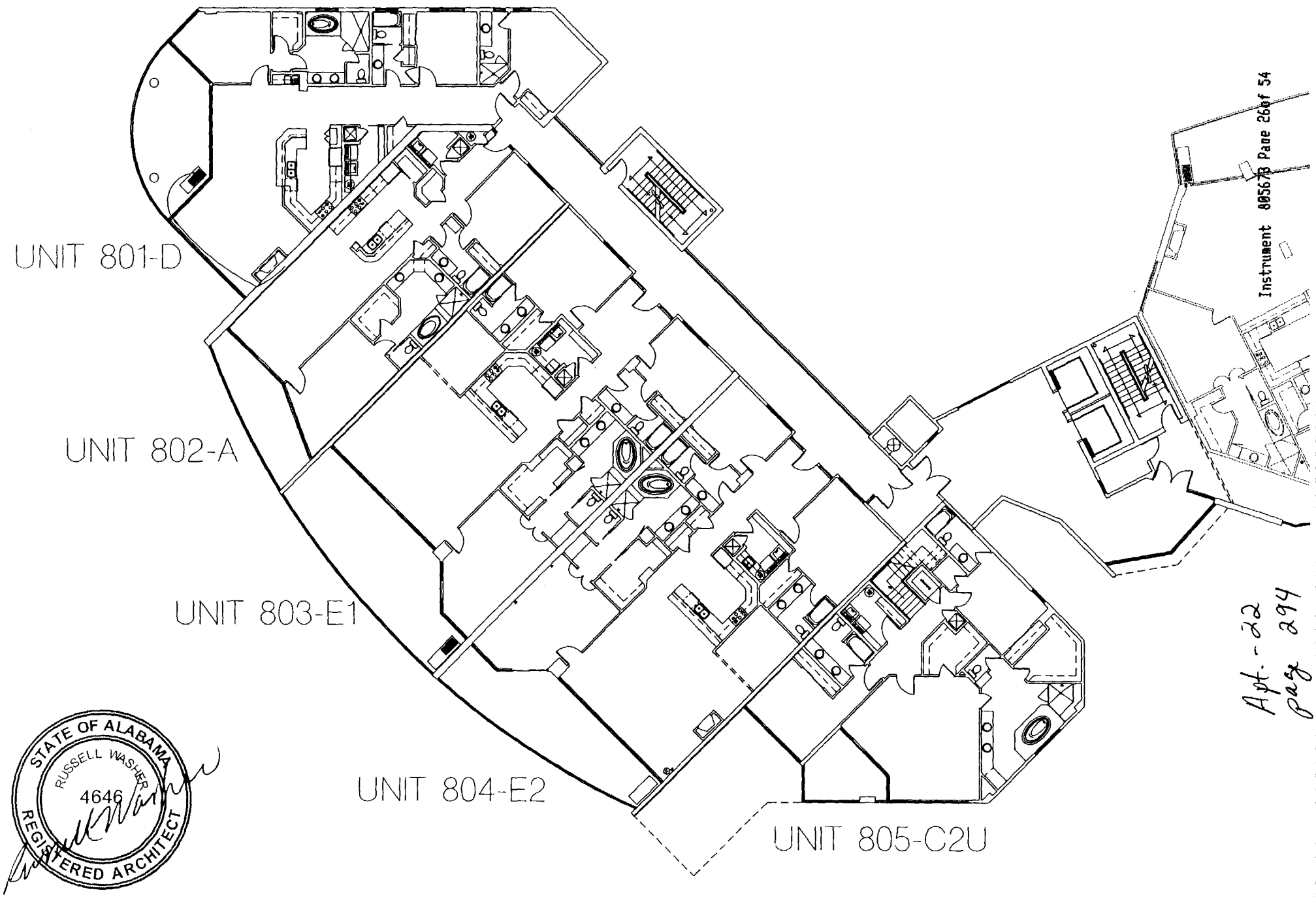

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SUNRISE - FLP 08

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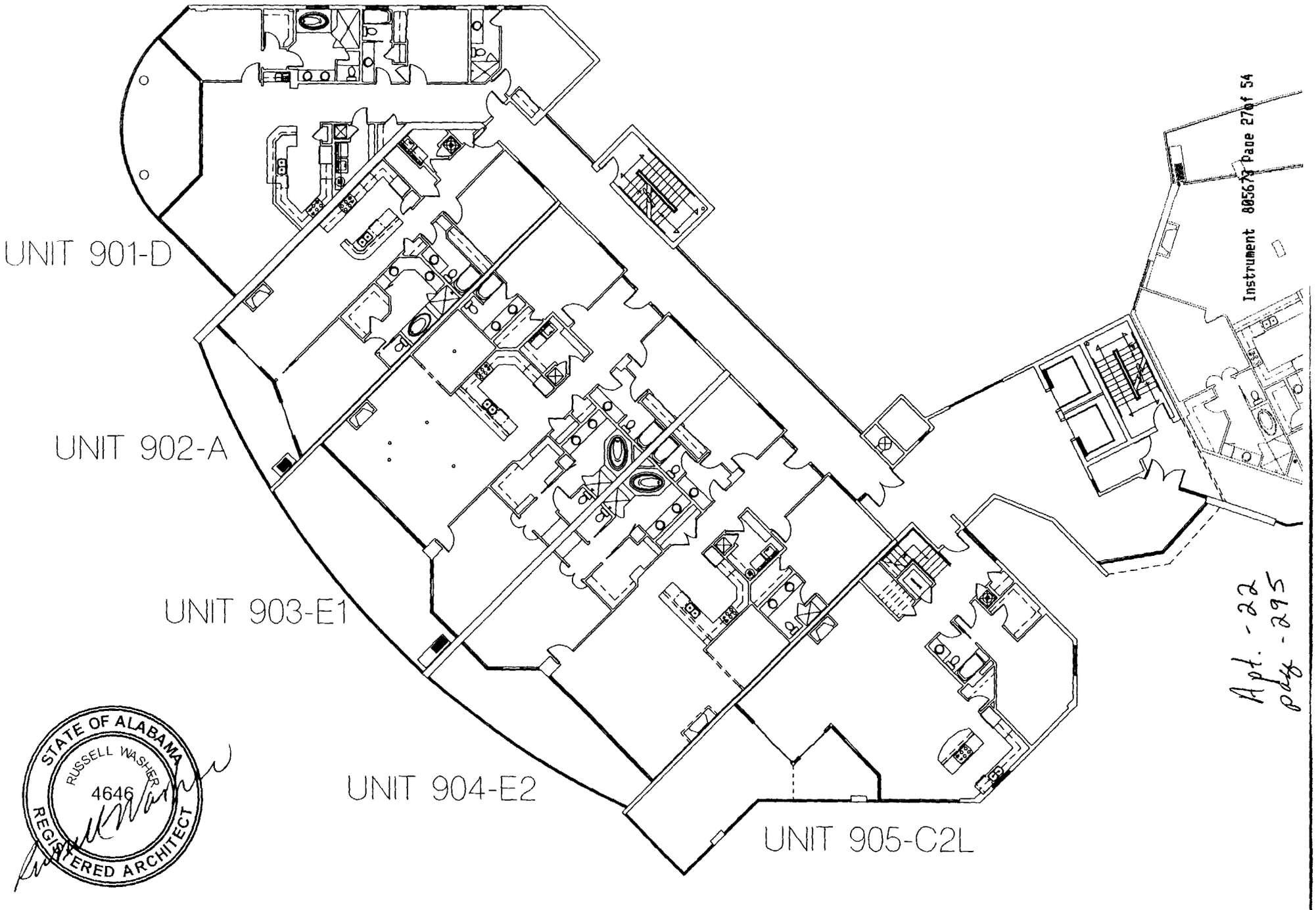

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SUNRISE - FLP 09

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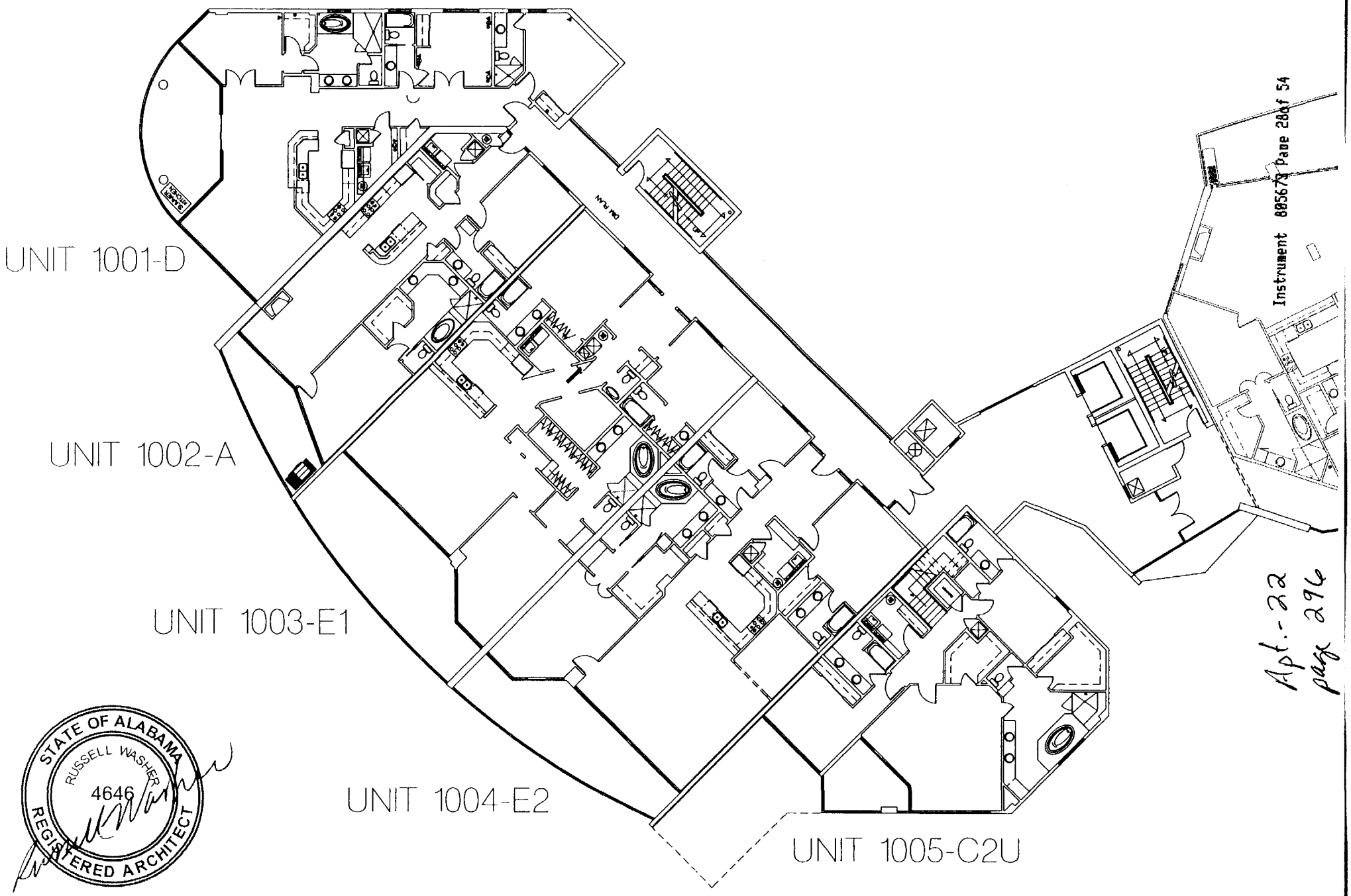

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SUNRISE - FLP 10

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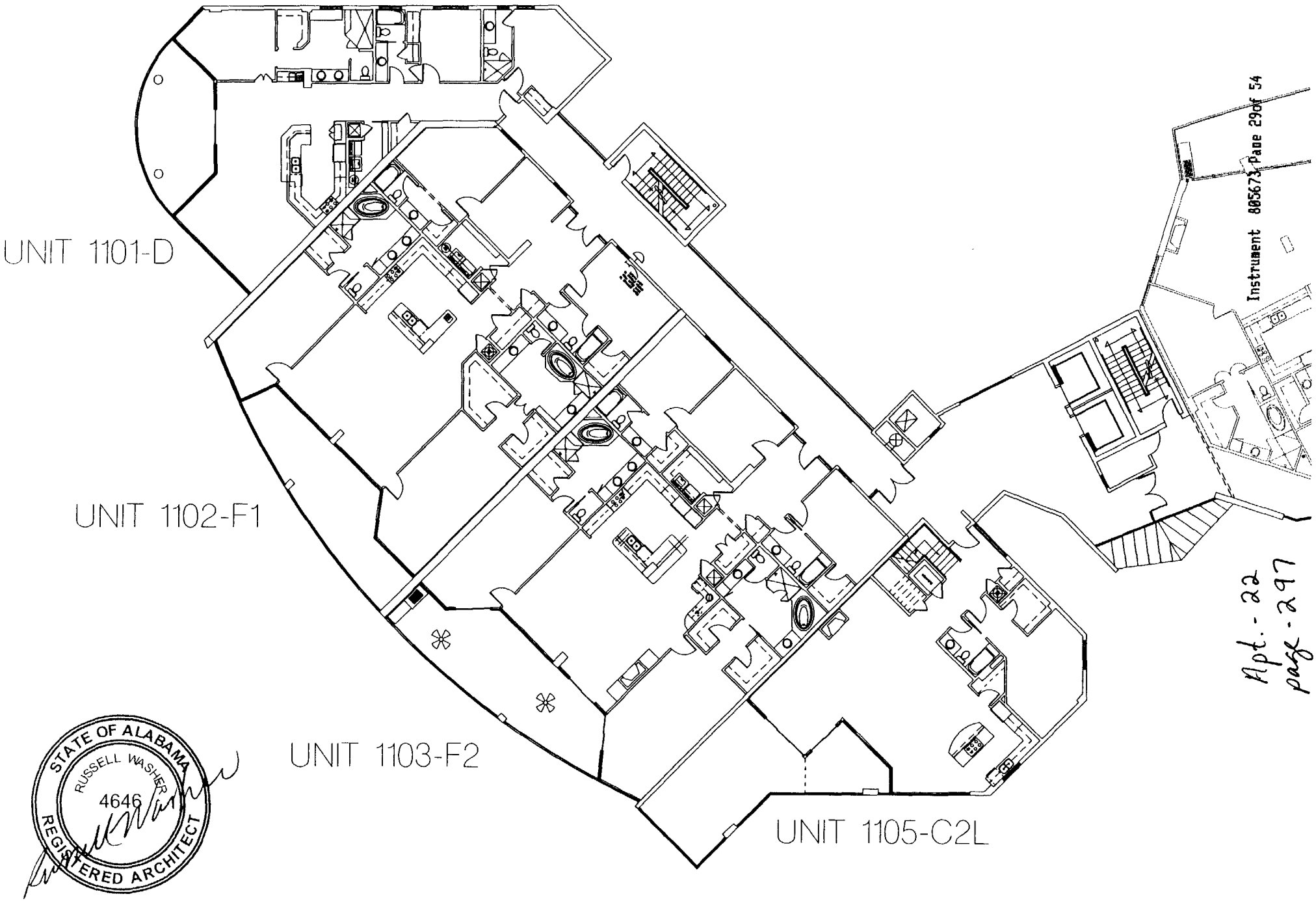

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SUNRISE - FLP 11

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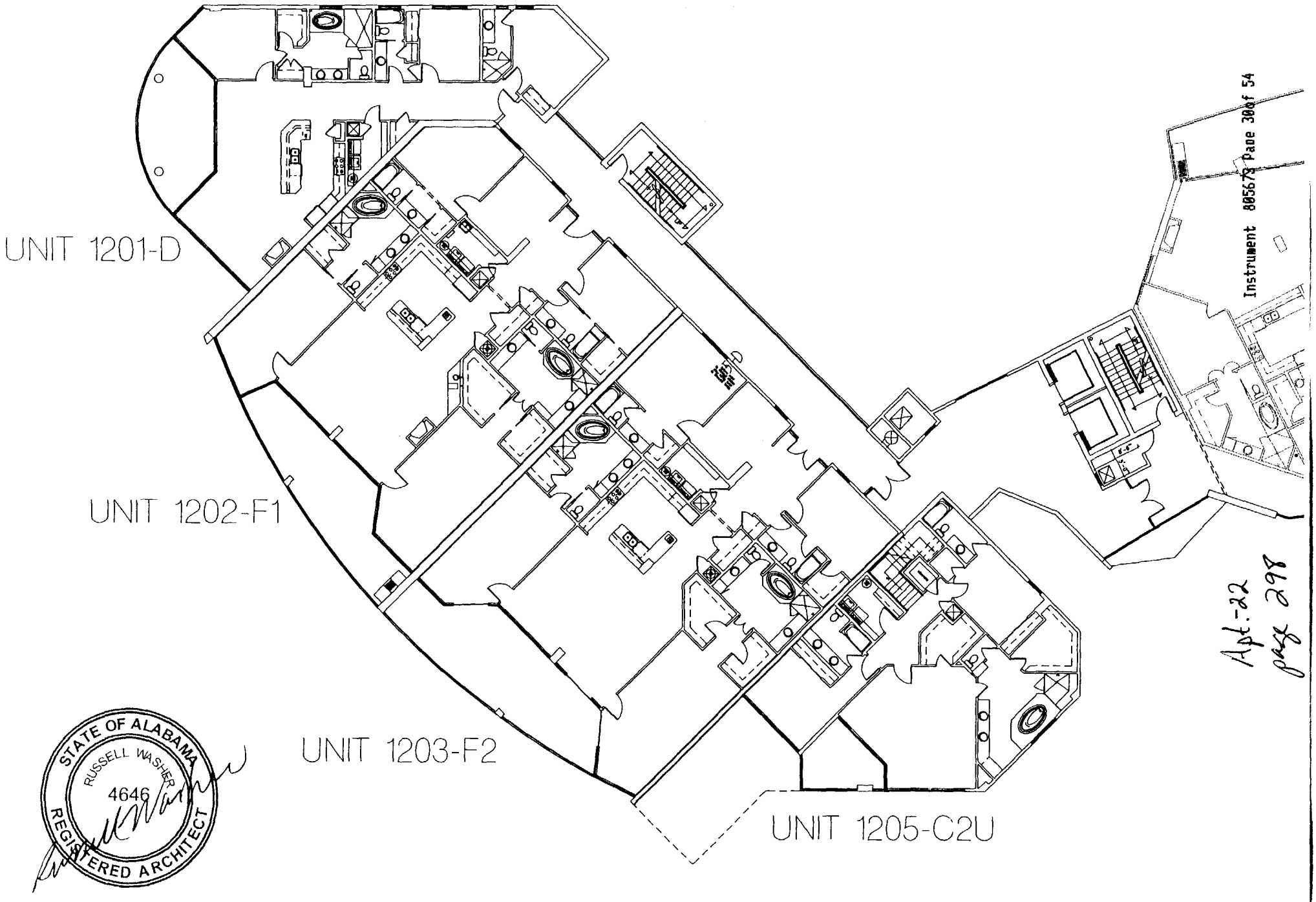

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SUNRISE - FLP 12

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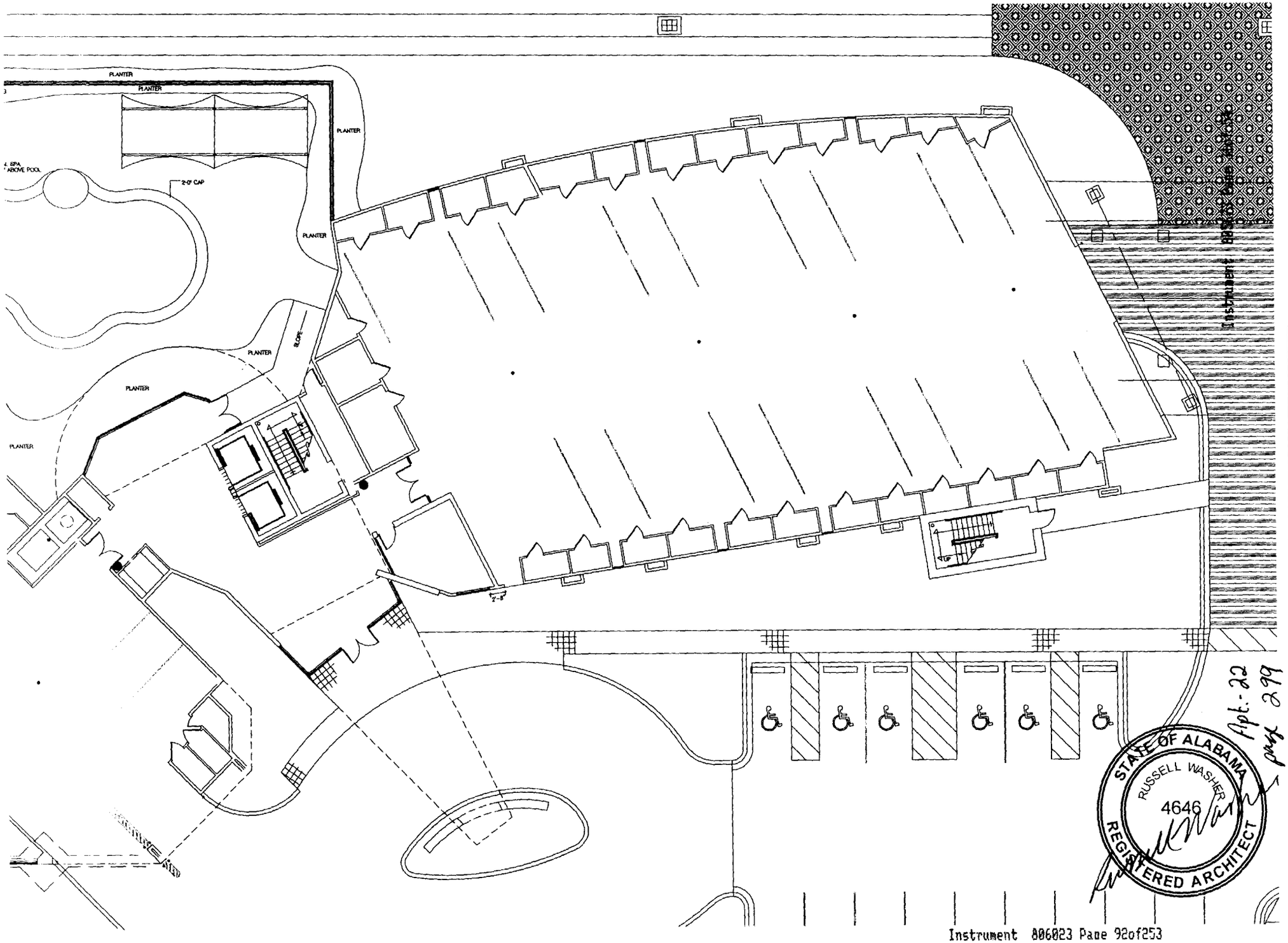

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SUNSET - FLP GROUND

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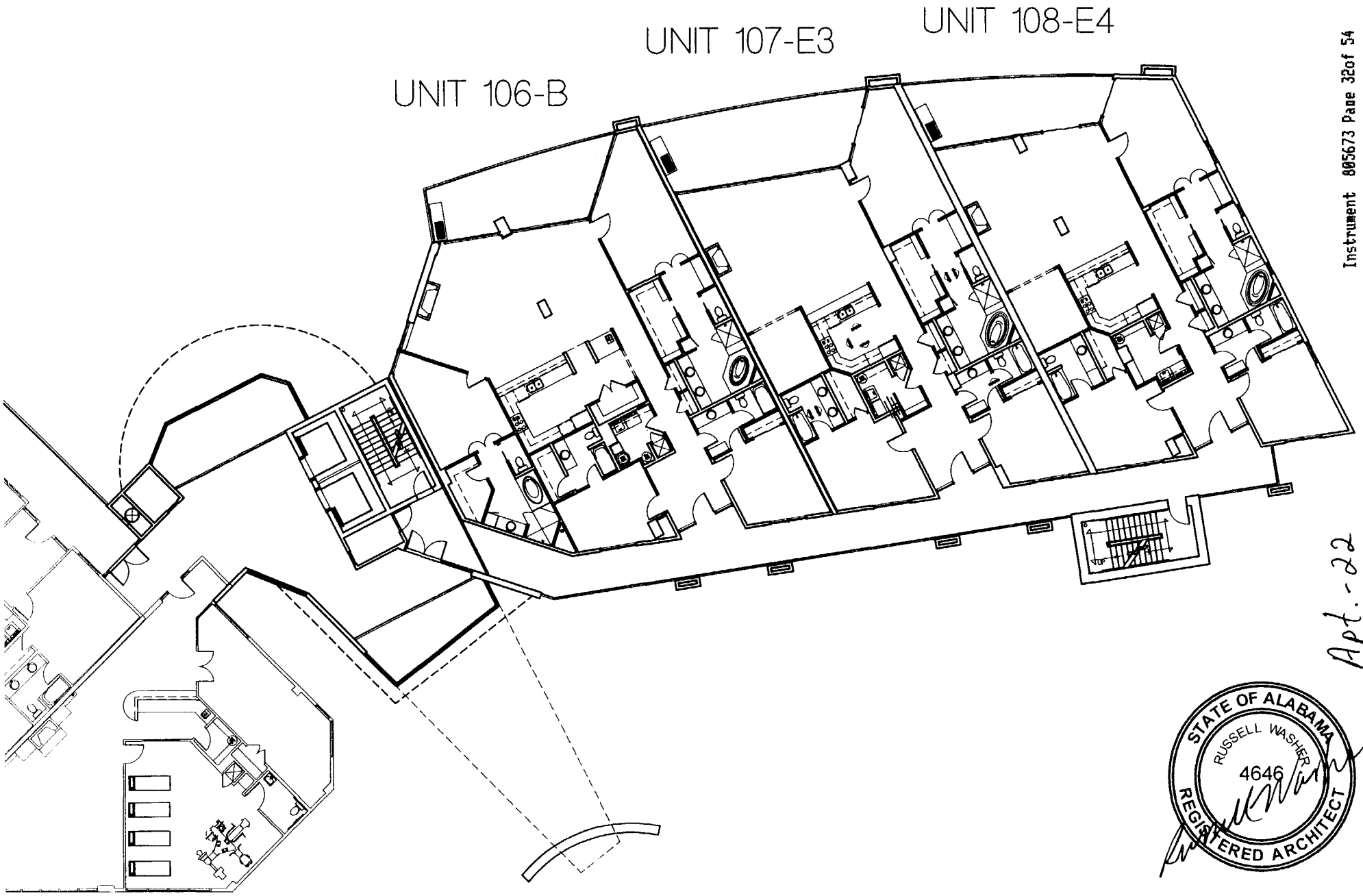

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SUNSET - FLP 01

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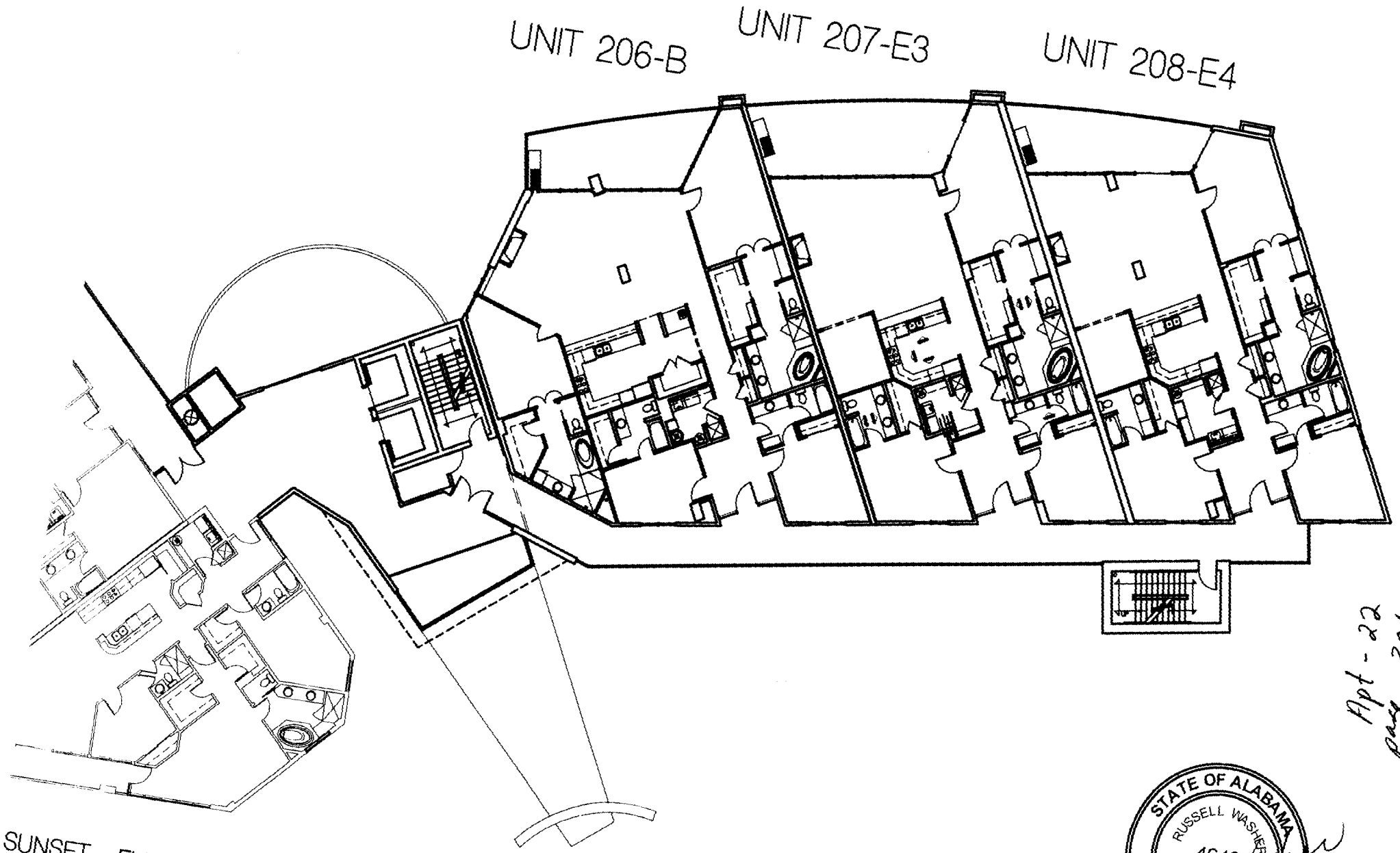

SUNSET - FLP 02

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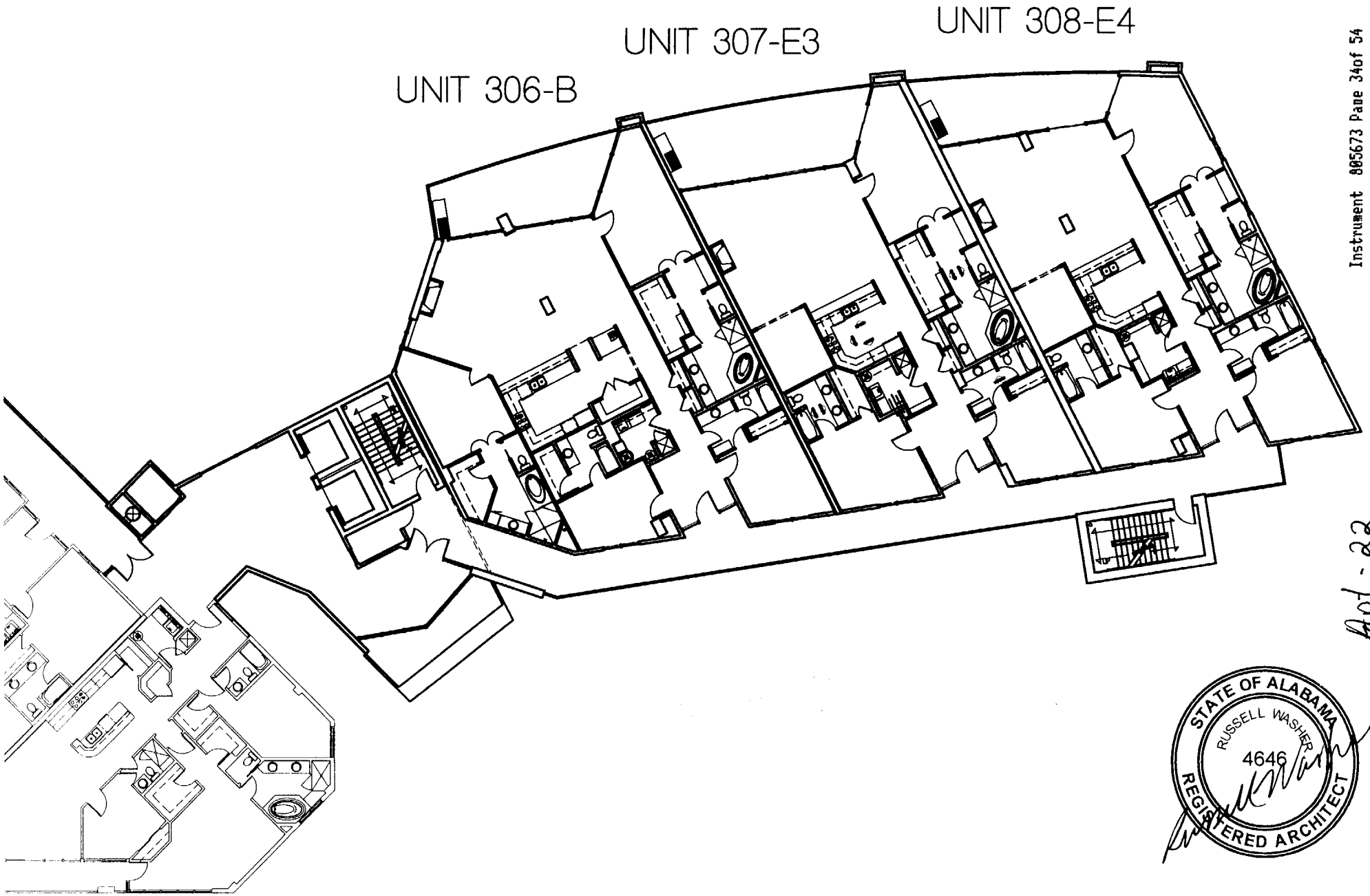
SCALE 3/64" = 1'-0"



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SUNSET - FLP 03

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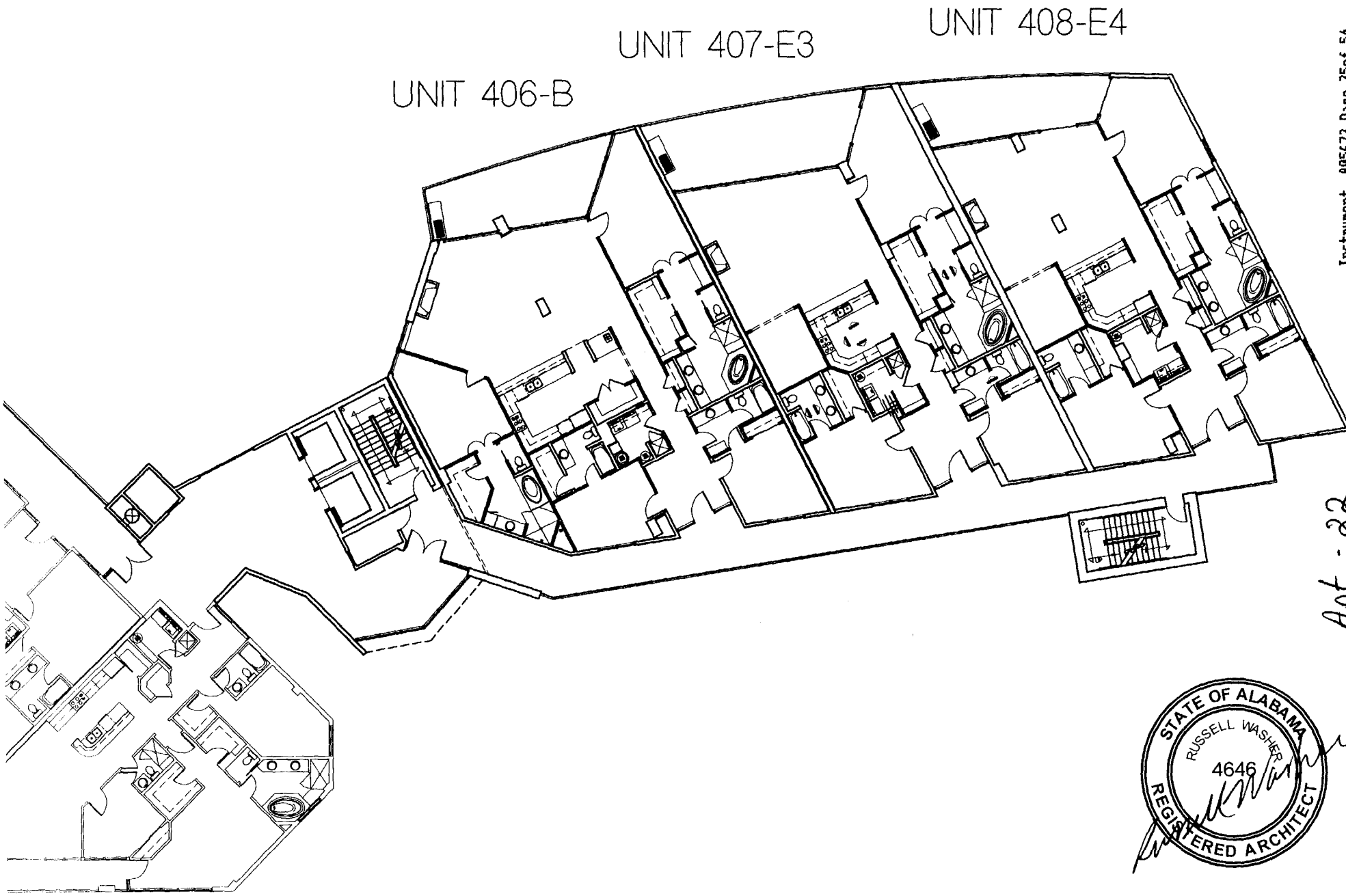

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SUNSET - FLP 04

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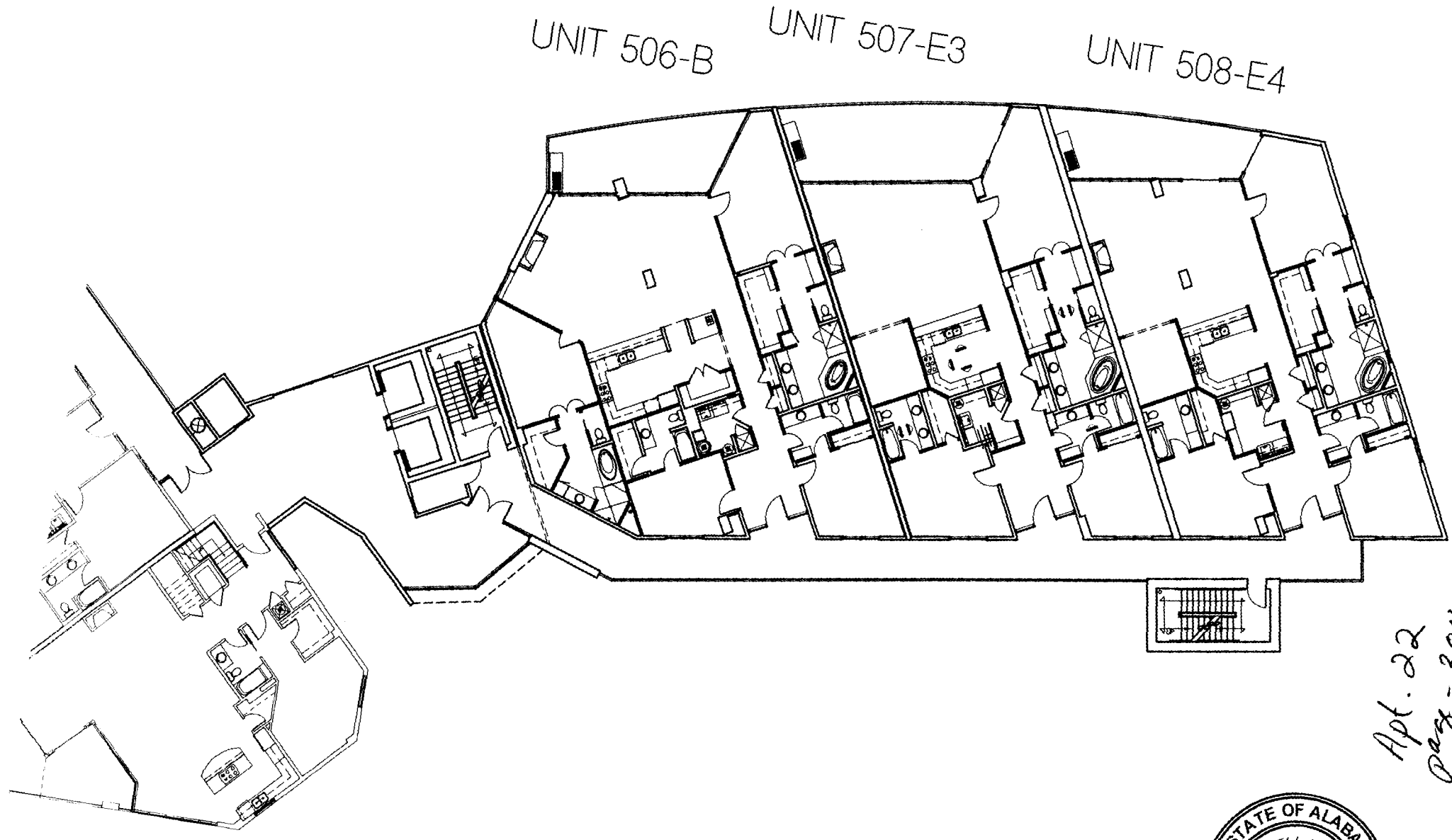

SUNSET - FLP 05

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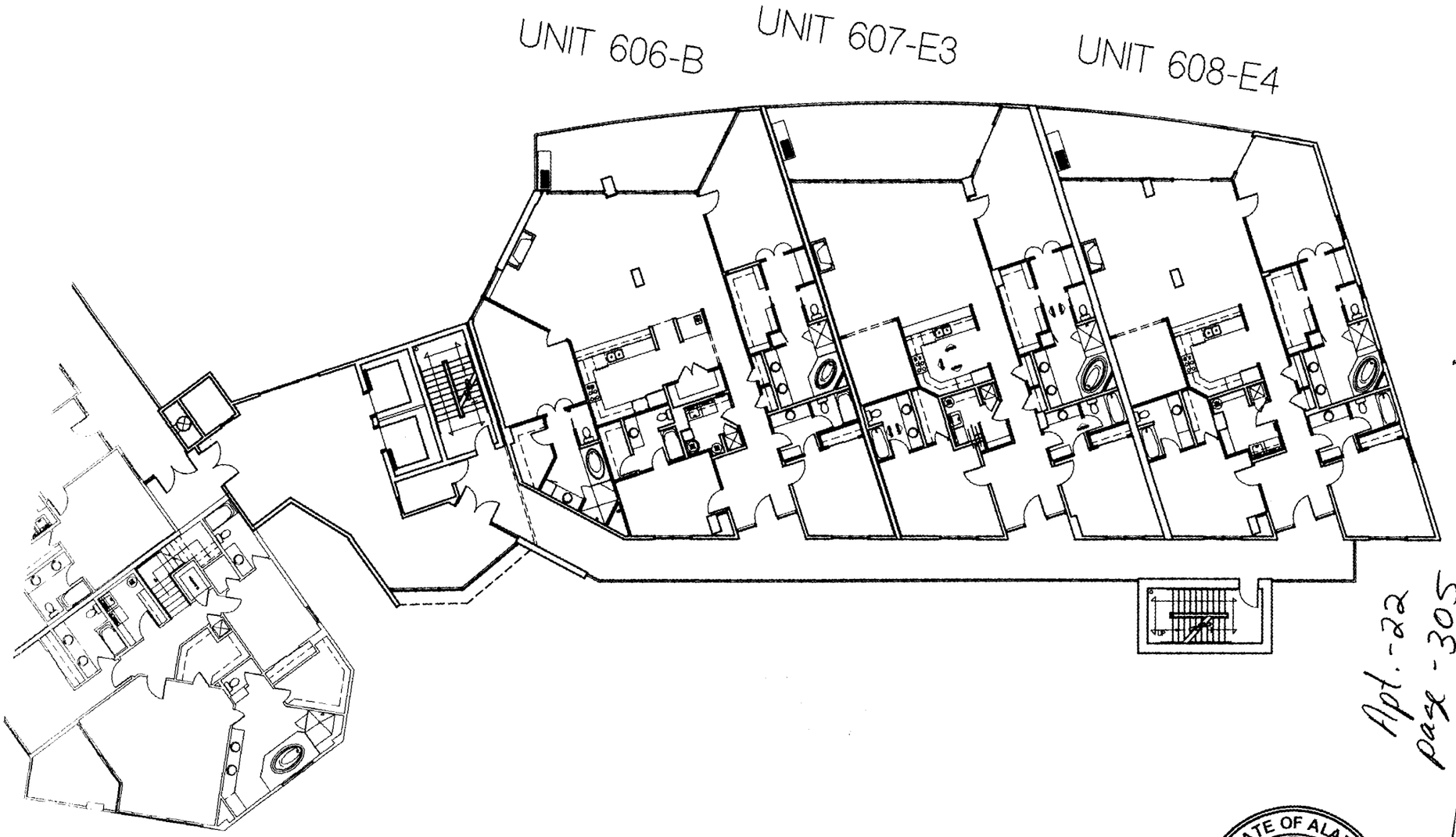

SUNSET - FLP 06

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SCALE 3/64" = 1'-0"

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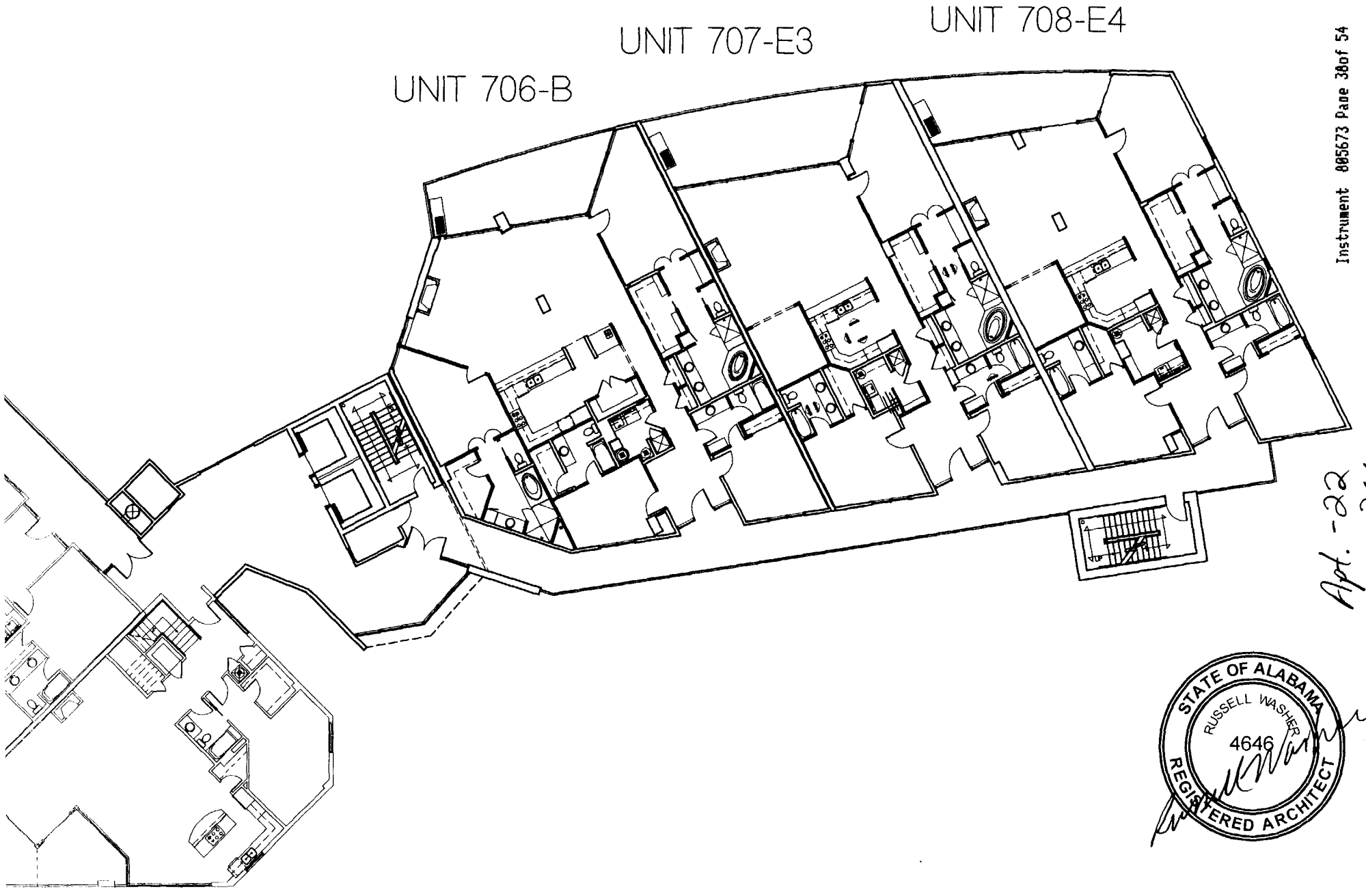

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SUNSET - FLP 07

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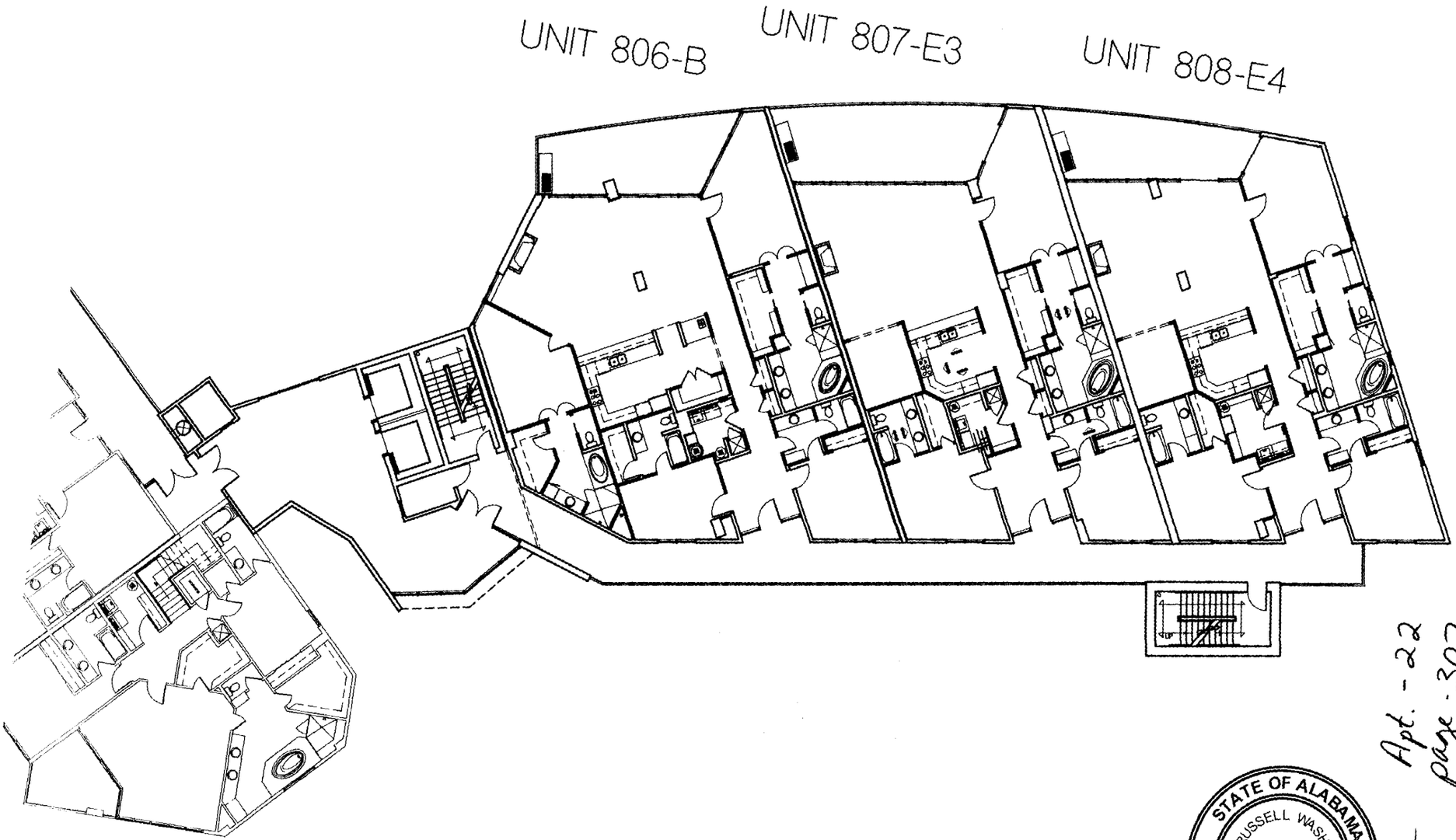

SUNSET - FLP 08

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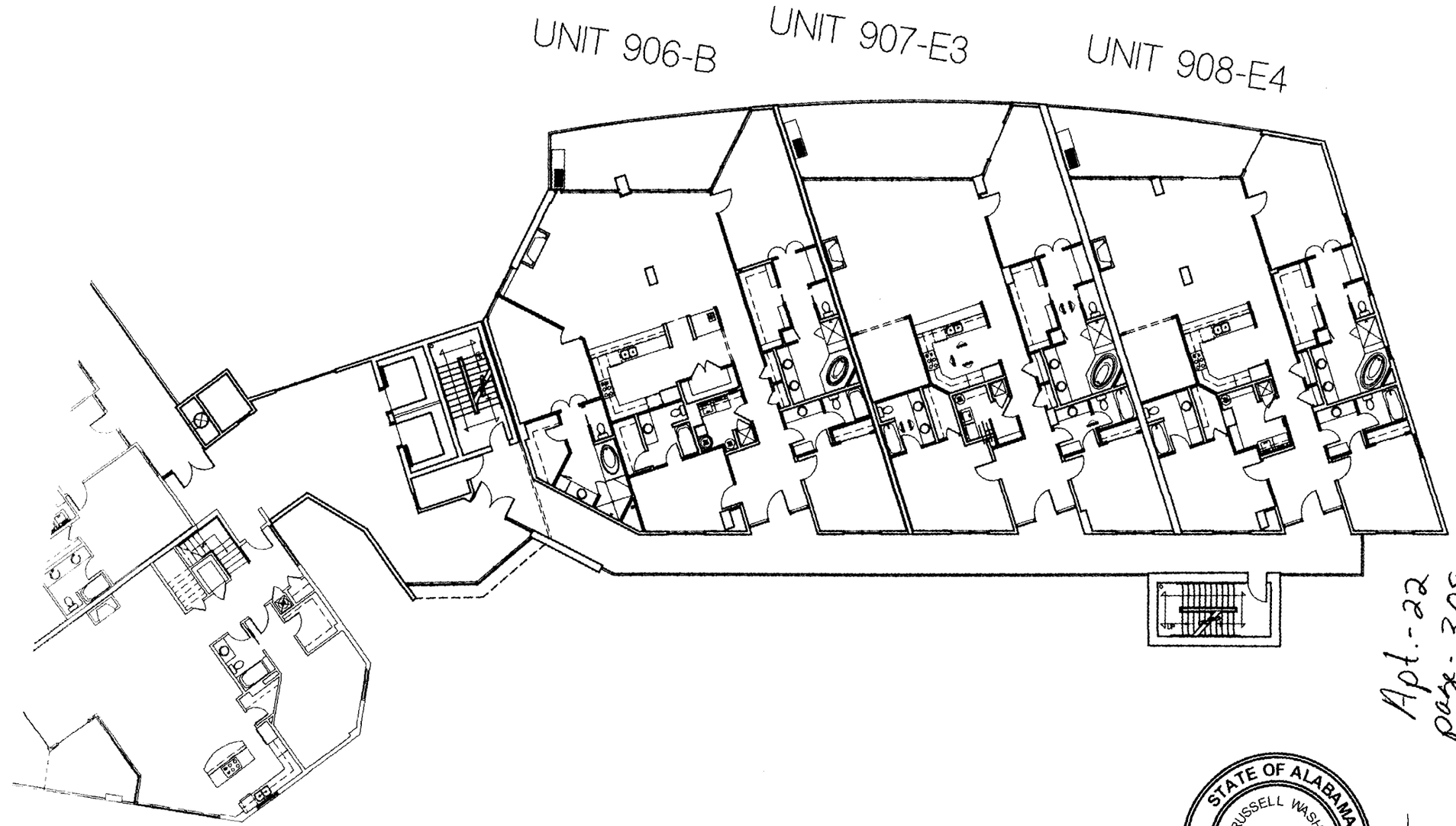
SCALE 3/64" = 1'-0"



SUNSET - FLP 09

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SCALE 3/64" = 1'-0"

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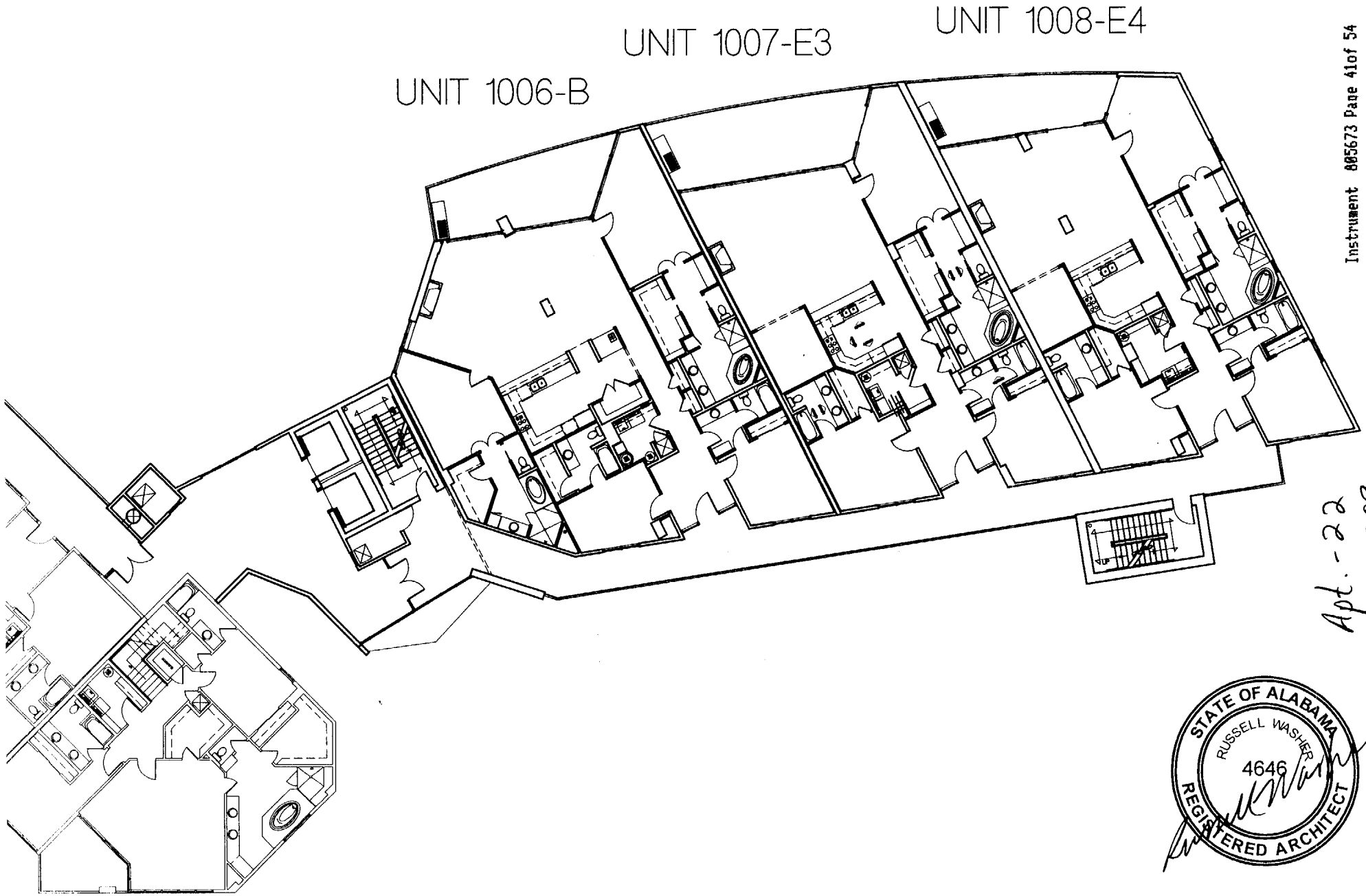

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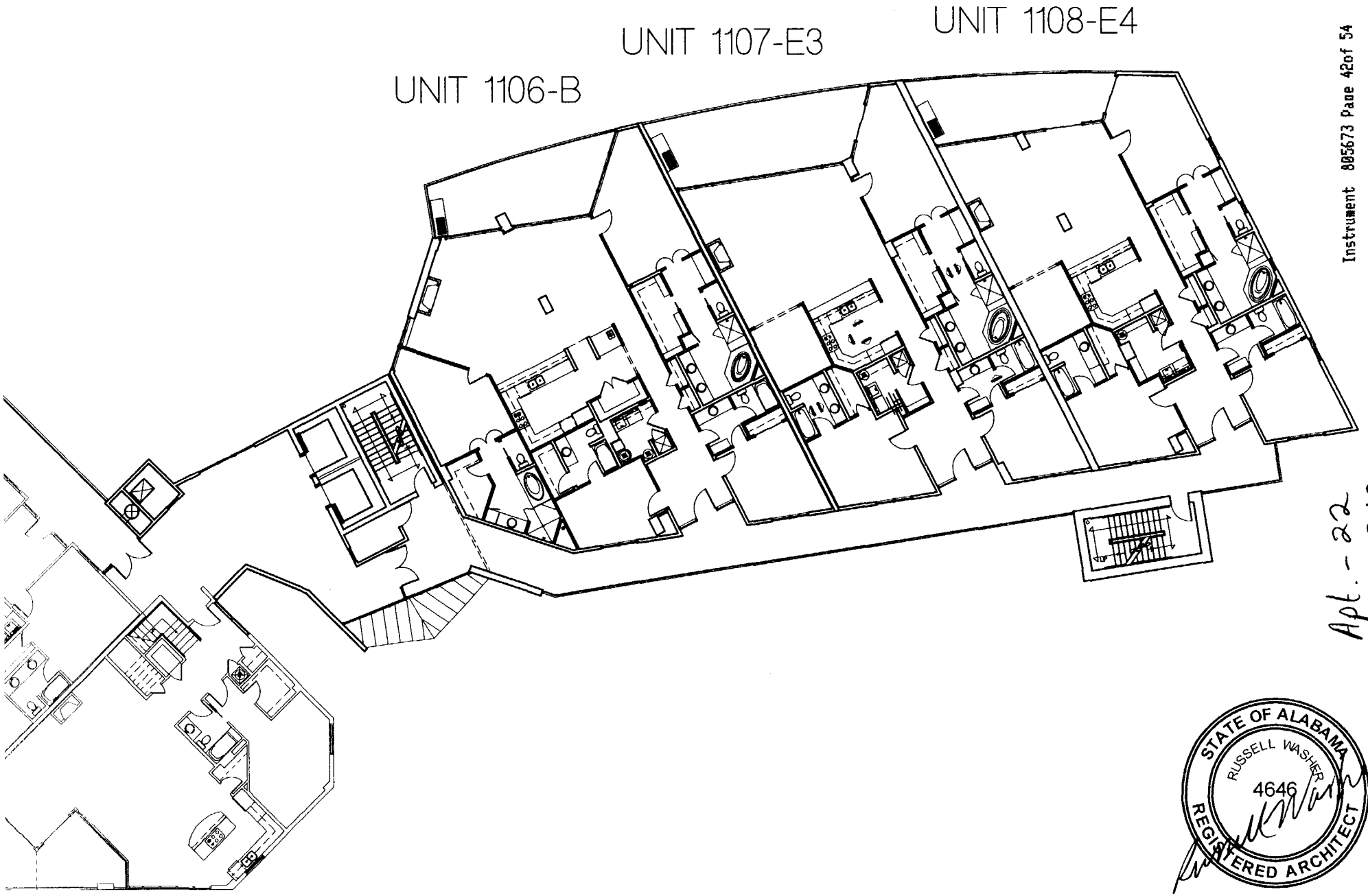
4646
REGISTERED ARCHITECT

SUNSET - FLP 10

SCALE 3/64" = 1'-0"



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SUNSET - FLP 11

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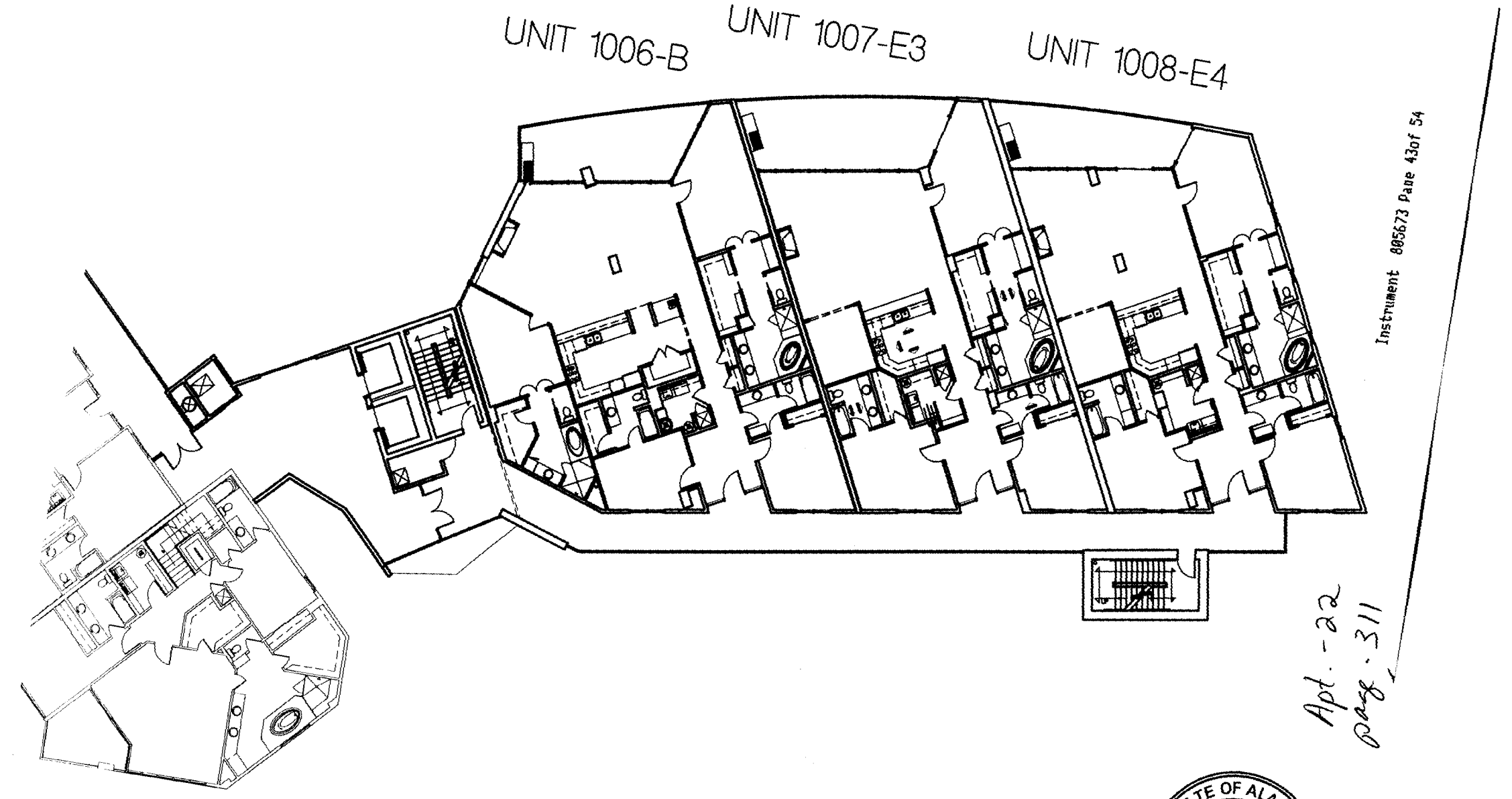

SUNSET - FLP 12

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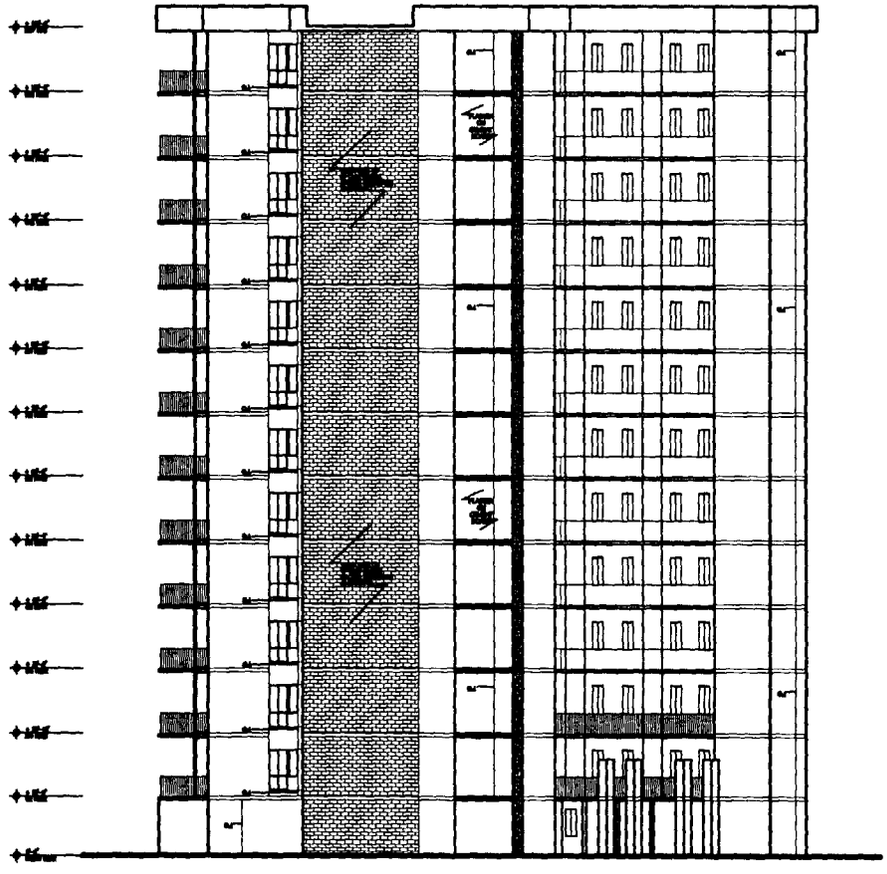
SCALE 3/64" = 1'-0"



1 SUNSET
SOUTH ELEVATION

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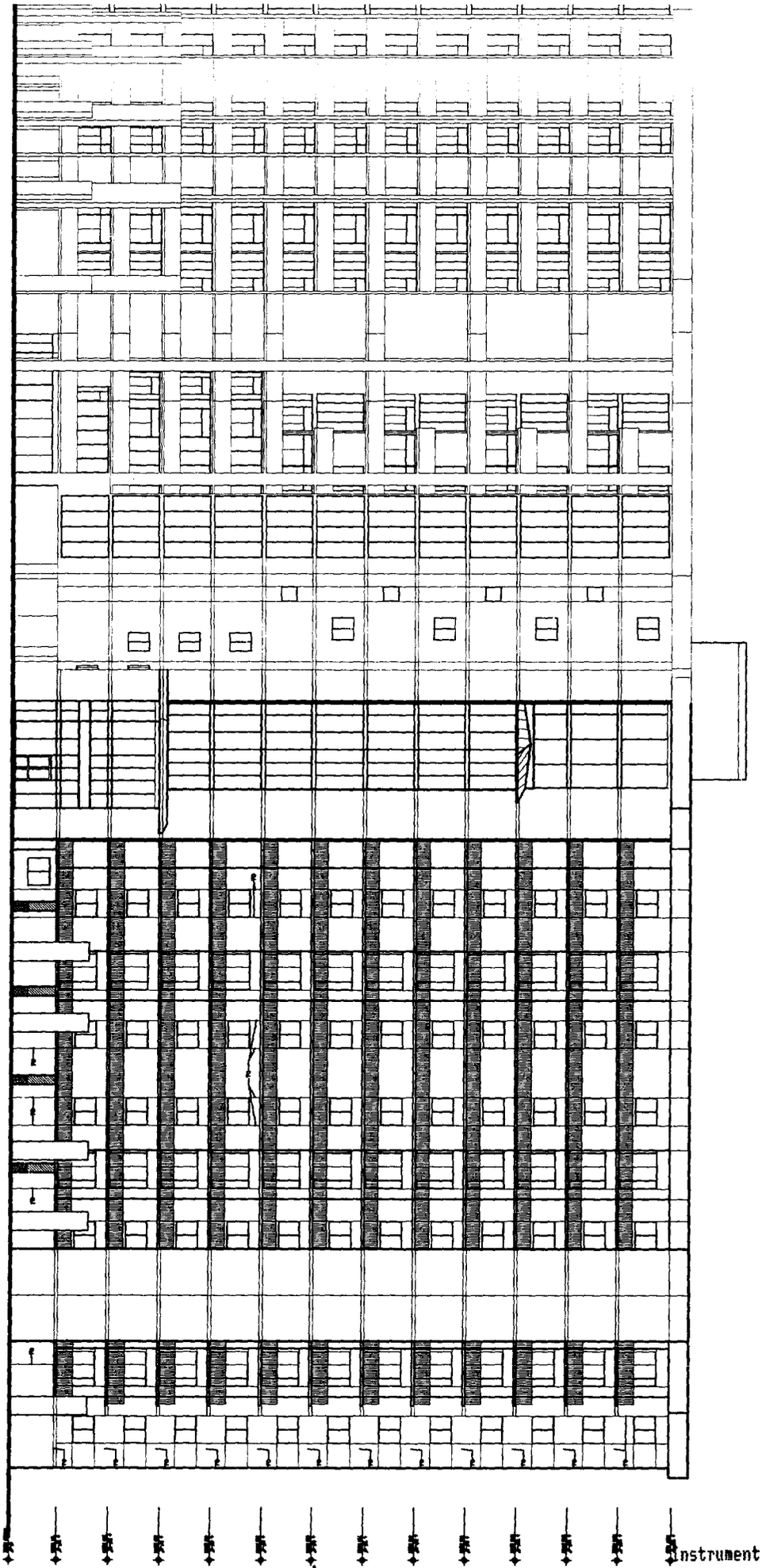

1 SUNSET
EAST ELEVATION

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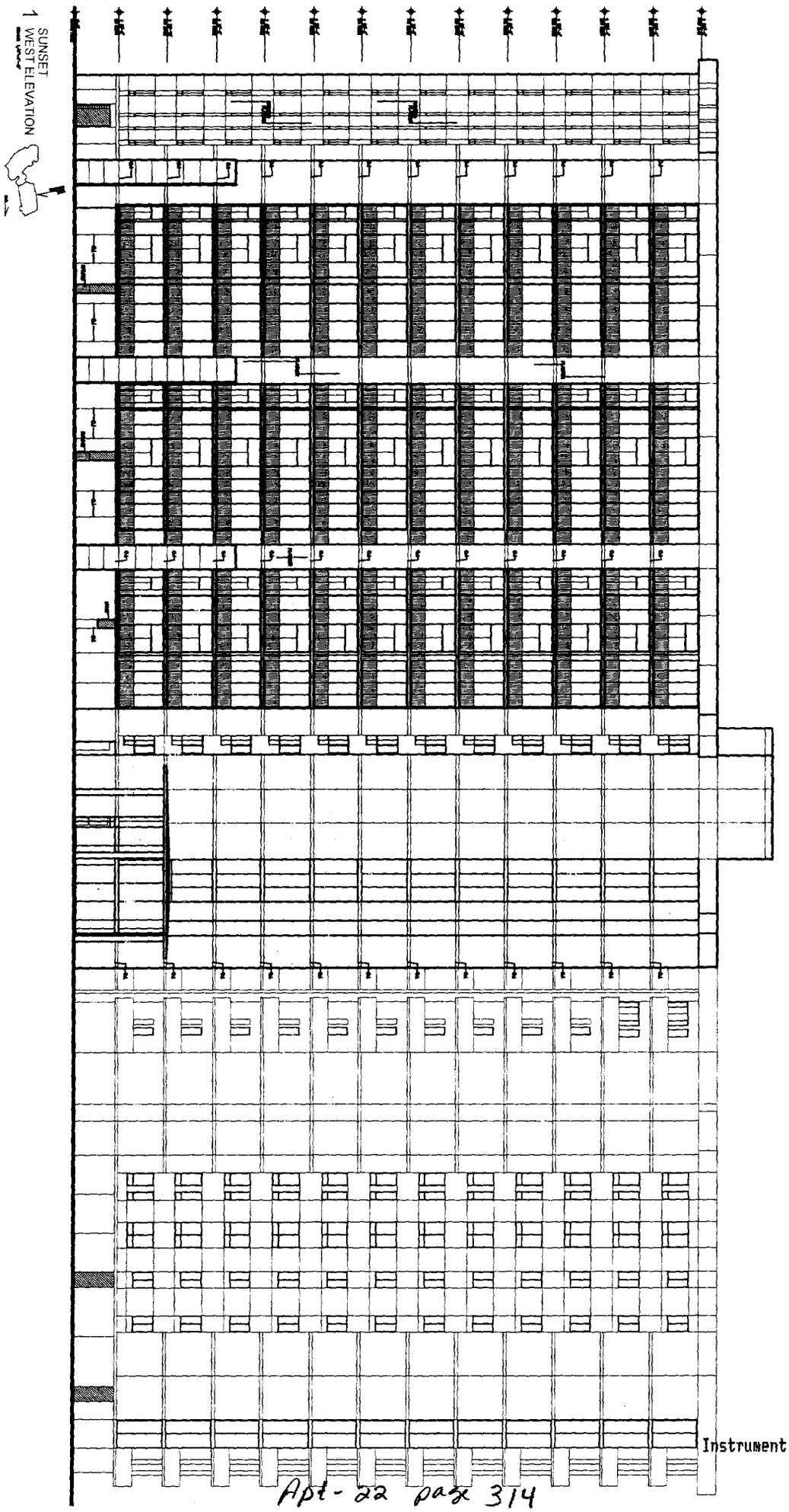

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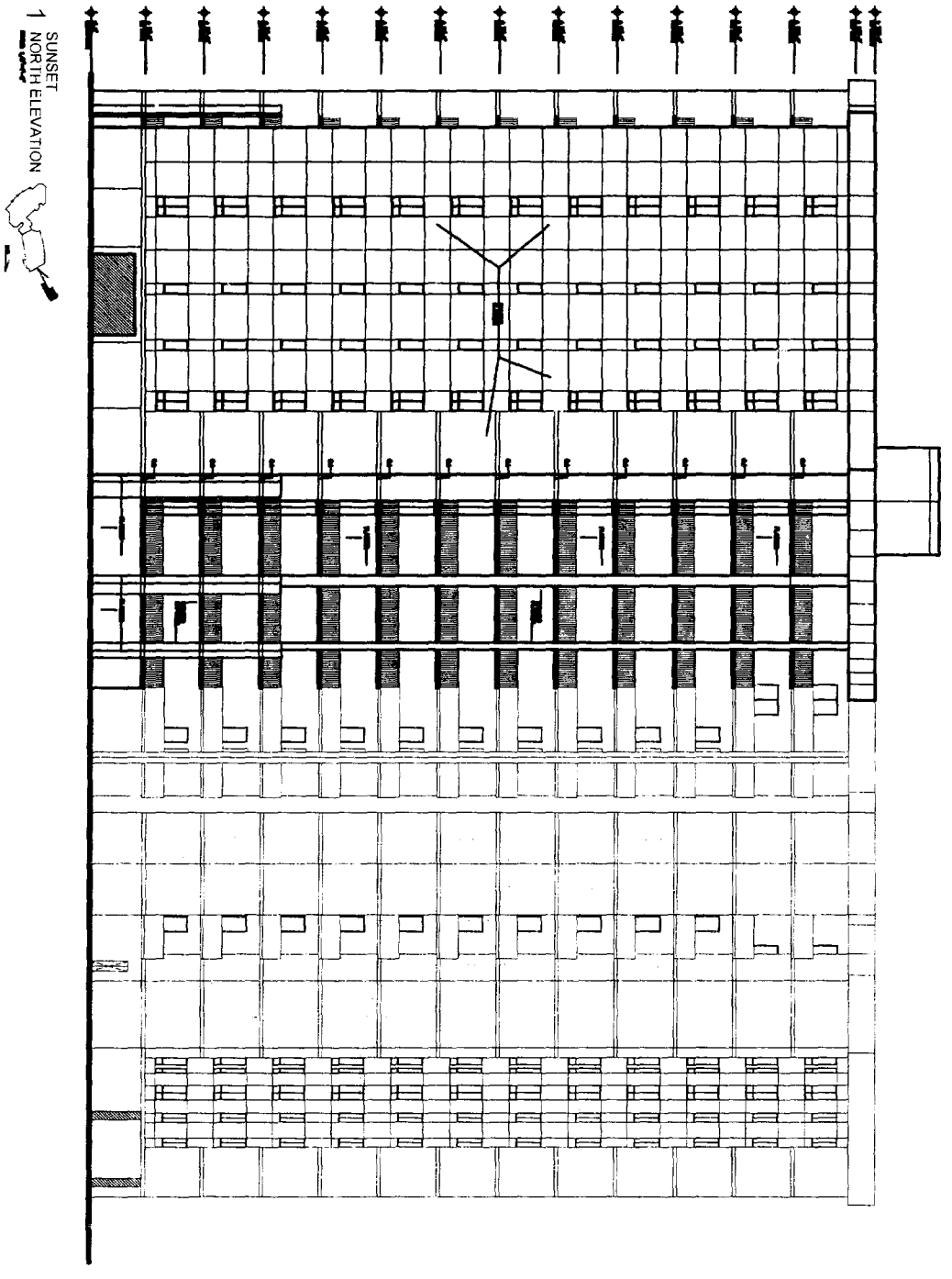

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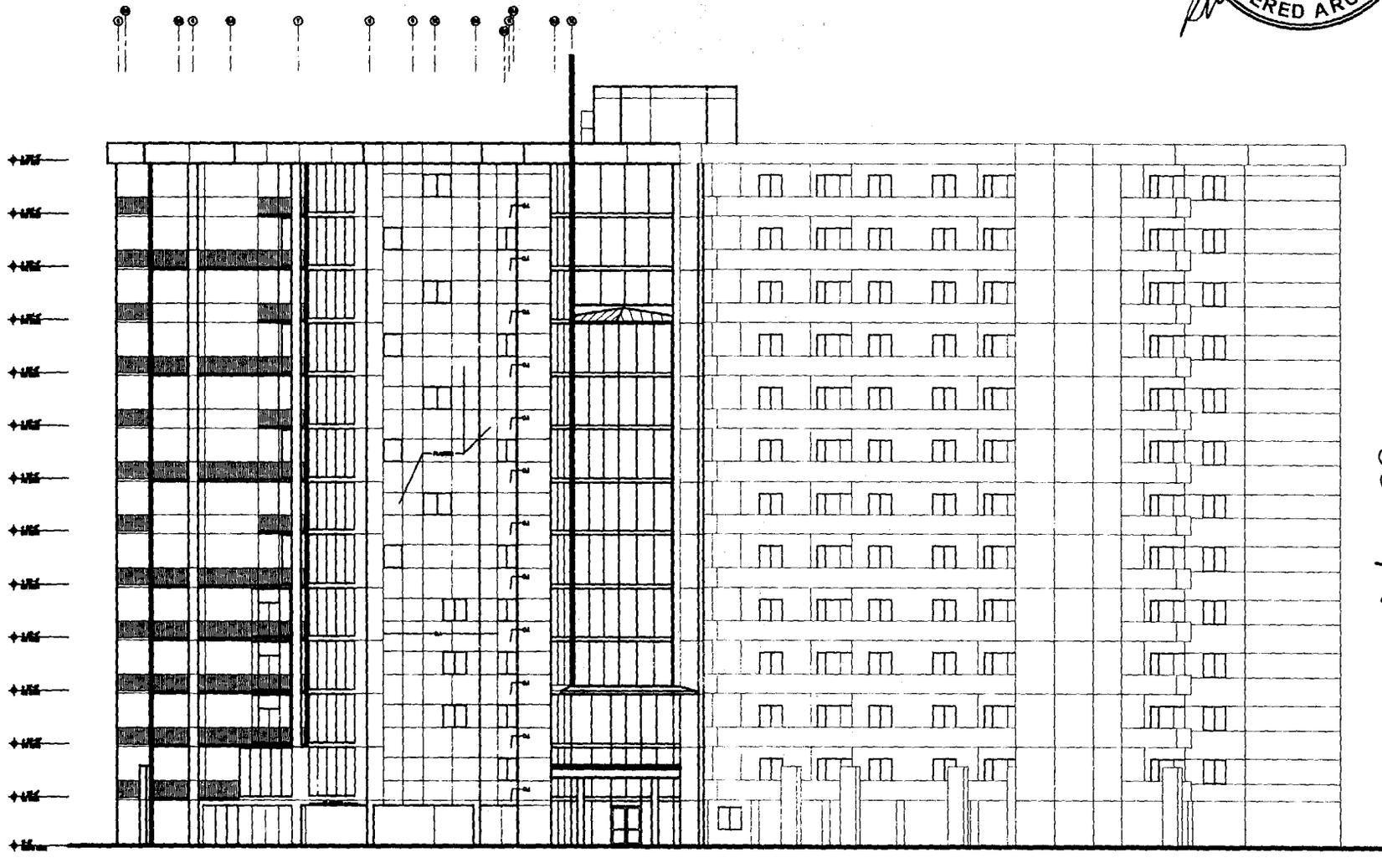

1 SUNRISE
NORTH-EAST ELEVATION

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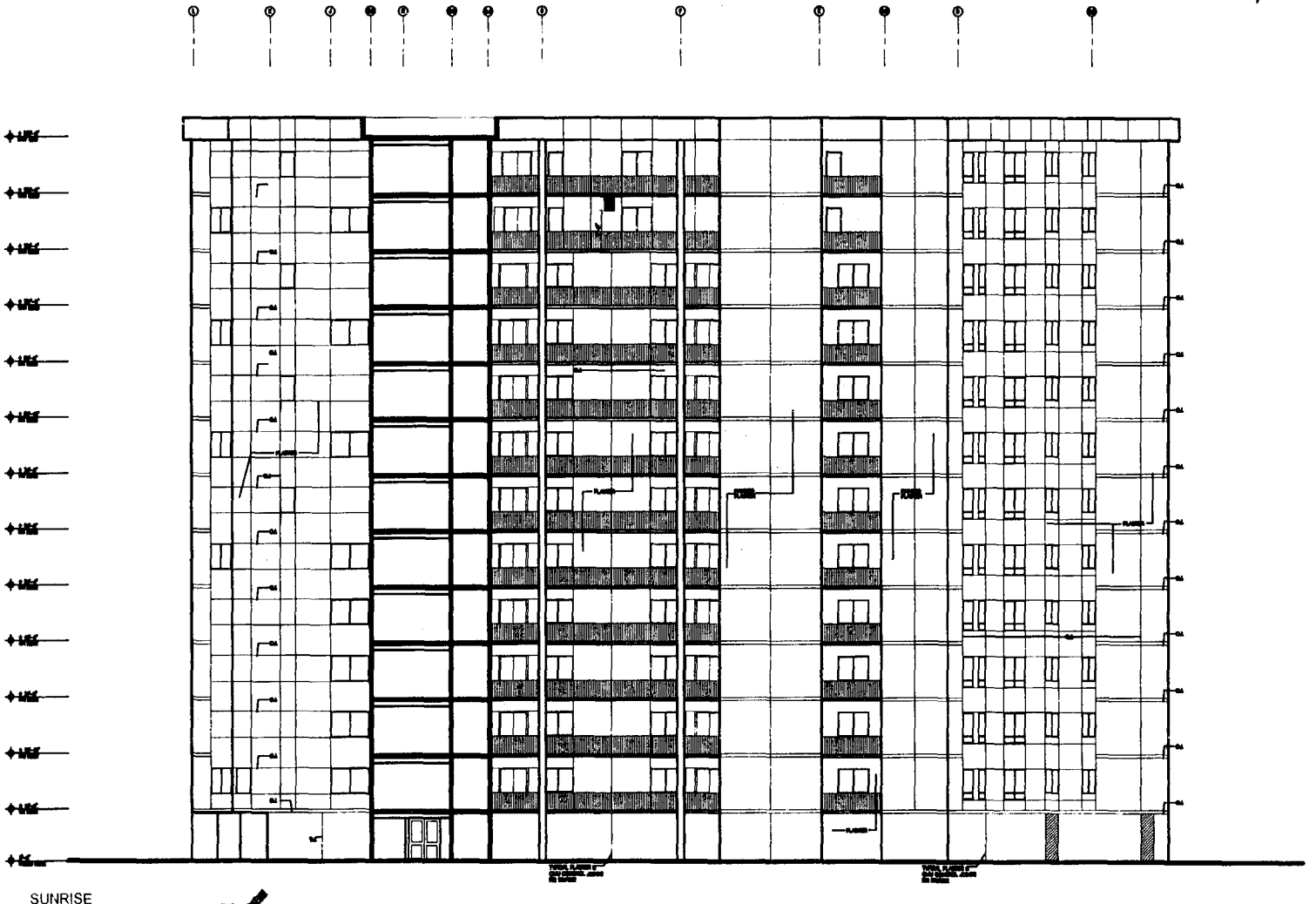

1 SUNRISE
NORTH-WEST ELEVATION

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1 SUNRISE
WEST ELEVATION

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1 SUNRISE
SOUTH-EAST ELEVATION

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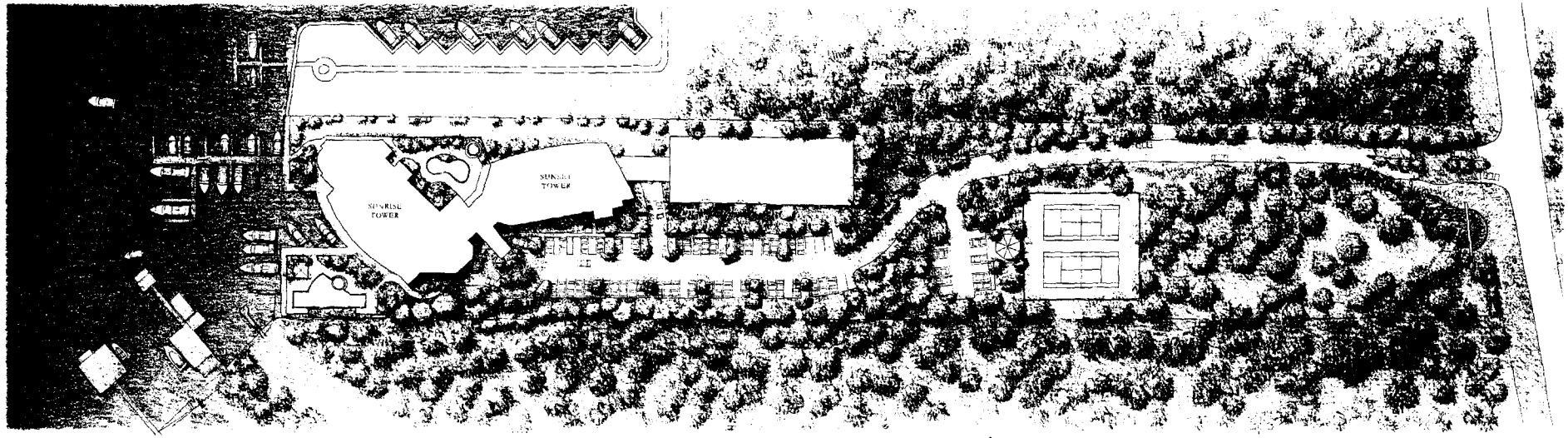

BAYSHORE TOWERS

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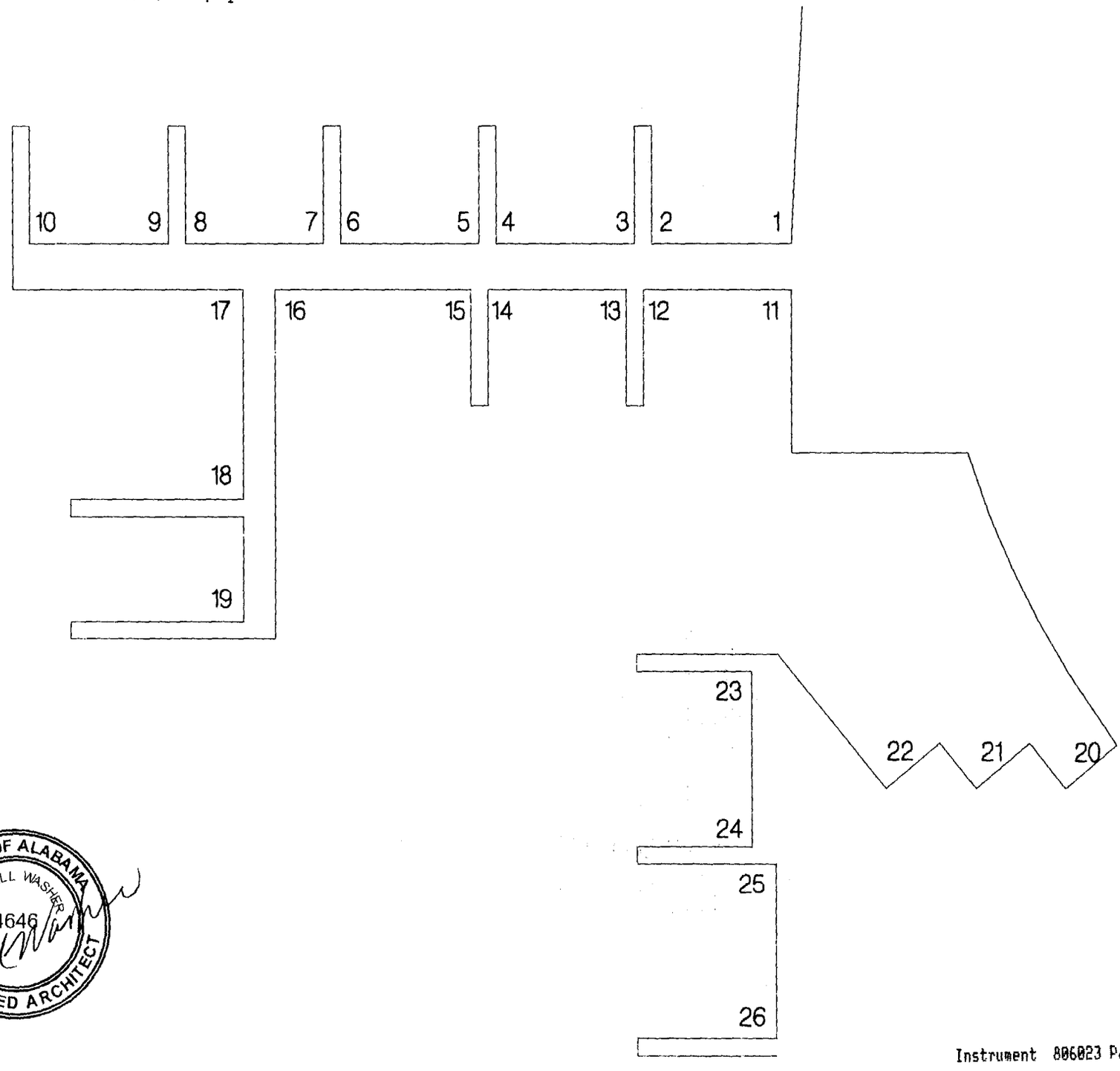

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Exhibit B [Phase II Property]

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LEGAL DESCRIPTION
PROPOSED PHASE II CONSTRUCTION

Commencing at the record Northwest corner of Lot 45 of the Burkart Property as recorded in the office of the Judge of Probate, Baldwin County Alabama in Map Book 1, Page 145, Thence South 00°27'29" West 839.03 feet to the Point of Beginning;

Thence proceed South 50°57'56" East, a distance of 33.06 feet to a point and corner;

Thence proceed South 89°59'44" East, a distance of 55.80 feet to a point and corner;

Thence proceed South 76°38'30" East, a distance of 34.10 feet to a point and corner;

Thence proceed South 00°00'16" West, a distance of 94.16 feet to a point and corner;

Thence proceed South 89°59'44" East, a distance of 11.40 feet to a point and corner;

Thence proceed South 00°00'16" West, a distance of 34.61 feet to a point and corner;

Thence proceed South 64°13'46" West, a distance of 22.54 feet to a point and corner;

Thence proceed South 44°49'25" West, a distance of 49.00 feet to a point and corner;

Thence proceed South 44°59'59" East, a distance of 20.57 feet to a point and corner;

Thence proceed South 44°55'25" West, a distance of 92.14 feet to a point and corner;

Thence proceed South 90°00'00" West, a distance of 22.95 feet to a point and corner;

Thence proceed North 00°27'29" East, a distance of 281.83 feet to the POINT OF BEGINNING, containing 0.58 acres, more or less.

EVANS-GRAVES ENGINEERS, INC.
November 1, 2001

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Exhibit C (Additional Property Description if Acquired)
[(Un-acquired Property)]

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LEGAL DESCRIPTION
PROPOSED PHASE 3

Commencing at the record northwest corner of Lot 45 of the Burkart Property as recorded in the office of the Judge of Probate, Baldwin County Alabama in Map Book 1, Page 145, thence South 00°27'29" West 23.80 feet to a point on the south iron pin on the south margin of Alabama Highway No. 180; thence along said margin North 82°33'39" East 60.58 feet to the Point of Beginning;

Thence along said margin North 82°33'39" East 137.20 feet to a point and corner;

Thence South 00°00'16" West 340.00 feet to a point and corner;

Thence North 89°32'31" West 138.59 feet;

Thence North 00°27'29" East 321.14 feet to the Point of Beginning, containing 1.04 acres, more or less.

EVANS-GRAVES ENGINEERS, INC.
November 1, 2001

LEGAL DESCRIPTION
LOTS 45 - 52 BURKART PROPERTY

Commencing at the record northwest corner of Lot 45 of the Burkart Property as recorded in the office of the Judge of Probate, Baldwin County Alabama in Map Book 1, Page 145, thence South 00°27'29" West 23.80 feet to a point on the south margin of Alabama Highway No. 180 and the Point of Beginning;

Thence along said margin North 82°33'39" East 197.78 feet;

Thence South 00°00'16" West 1257.89 feet to a point on the north margin of Terry Cove;

Thence along said margin North 86°34'02" West 206.18 feet;

Thence North 00°27'29" East 1219.98 feet to the Point of Beginning, containing 5.70 acres, more or less

EVANS-GRAVES ENGINEERS, INC.
November 1, 2001

Exhibit D-1 [Articles of Incorporation]

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ARTICLES OF INCORPORATION

OF

BAYSHORE TOWERS CONDOMINIUM

OWNERS' ASSOCIATION, INC.

ORANGE BEACH, ALABAMA

805526

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

2004 April -28 11:40AM

Instrument Number 805526 Pages 25
Recording 50.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

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STATE OF ALABAMA

BALDWIN COUNTY

ARTICLES OF INCORPORATION
OF
BAYSHORE TOWERS CONDOMINIUM OWNERS' ASSOCIATION, INC.

Preamble - Under and pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, §§ 35-8A-1, et seq., CODE OF ALABAMA 1975 [hereinafter the "Condominium Act"] and the Alabama Nonprofit Corporation Act, §§ 10-3A-1, et seq., CODE OF ALABAMA 1975 [hereinafter the "Nonprofit Corporation Act"], the undersigned hereby forms a nonprofit corporation for the purposes and with the powers and duties hereinafter set forth.

ARTICLE ONE
Name

1. Name and Principal Place of Business - The name of the corporation shall be Bayshore Towers Condominium Owners' Association, Inc., hereinafter sometimes referred to as the "Association". Its principal place of business shall be located in Orange Beach, Alabama.

ARTICLE TWO
Duration

1. Duration - The Association shall have perpetual existence, or, if Bayshore Towers Condominium is terminated, the Association shall terminate as soon as it has distributed all of its assets following the termination of Bayshore Towers Condominium.

ARTICLE THREE
Purpose

1. Purpose - The purpose for which the Association is organized is to provide an entity pursuant to the Alabama Uniform Condominium Act of 1991 for the administration of the

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common affairs of Bayshore Towers Condominium, a condominium located or to be located on lands located in Baldwin County, Alabama, as more particularly described in the declaration of condominium filed simultaneously herewith in the office of the Judge of Probate, Baldwin County, Alabama.

ARTICLE FOUR
Powers and Duties

1. General Powers - The Association shall have all of the common law and statutory powers of a non-profit corporation which are not in conflict with the terms of the condominium documents or the Condominium Act. The Association shall also have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the power to:

(a) Adopt Bylaws and Rules - Adopt and amend bylaws and rules and regulations;

(b) Adopt Budgets - Adopt and amend budgets for revenues, expenditures and reserves and impose and collect assessments for common expenses from unit owners;

(c) Employ Agents - Hire and discharge managing agents and other employees, agents and independent contractors;

(d) Sue and Defend - Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;

(e) Make Contracts - Make contracts and incur liabilities;

(f) Oversee the Common Elements - Regulate the use, maintenance, repair, replacement and modification of common elements;

(g) Improve the Common Elements - Cause additional improvements to be made as a part of the common elements;

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(h) Acquire Property - Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to §35-8A-312 of the Condominium Act;

(I) Allow Use of the Common Elements - Grant easements, encroachments, leases, licenses and concessions through or over the common elements;

(j) Charge for the Common elements - Impose and receive any payments, fees or charges or the use, rental or operation of the common elements, other than limited common elements described in §35-8A-202(2) and (4) of the Condominium Act, and for services provided to unit owners;

(k) Impose Fines - Impose against owners of units charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws and rules and regulations of the Association;

(l) Charge Fees - Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required by §35-8A-409, or statements of unpaid assessments;

(m) Indemnify Officers and Directors - Provide for the indemnification of its officers and board and maintain directors' and officers' liability insurance;

(n) Pledge Income - Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration expressly so provides;

(o) Corporate Seal - Have a corporate seal which may be altered at pleasure and to use the same by causing it or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

(p) Miscellaneous - Exercise any other powers conferred by the declaration or bylaws, exercise all other powers that may be exercised in this state by legal entities of the same type as the Association, and exercise any other powers necessary and proper for the governance and operation of the Association.

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2. Duties - The Association shall have the duty to:

(a) Keep Records - The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office in Alabama a record of the names and addresses of its members entitled to vote, directors and officers. All books and records of the Association may be inspected by any member, director or officer, or his agent or attorney, for any proper purpose at any reasonable time.

(b) Adopt Budgets - Adopt budgets for the unit owners' association, but only in the following manner: Within 30 days after adoption of any proposed budget for the condominium, the board of directors of the unit owners' association shall provide a copy thereof 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 14 days nor more than 30 days after delivery or mailing of the budget to the unit owners. Unless at that meeting two thirds of all the unit owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed as set forth above.

(c) Maintain the Common Elements and Limited Common Elements - Be responsible for the maintenance, repair, and replacement of the common elements and limited common elements, and to this end each owner shall afford to the unit owners' association and its agents and employees, access through his unit and any assigned limited common element reasonably necessary to enable the association to carry out its duties in this regard. The association shall be responsible to the unit owners for any damage to their units occasioned by the association's exercise of the rights granted by this subparagraph.

(d) Hold Meetings - Hold meetings of the association at least once each year; and whenever requested by the president, by a majority of the members of the board of directors, or by unit owners having at least 20 percent of the votes of the association.

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(e) Notify Declarant of Legal Actions - Give the declarant reasonable notice of and an opportunity to defend against any legal action brought against the owners' association in respect of any matter which occurred or failed to occur during the period of declarant control.

(f) Maintain Property Insurance - Maintain, to the extent reasonably available, property insurance on the common elements and limited common elements insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than the greater of 80 percent 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 co-insurance provision and at each renewal date, exclusive of land, and other items normally excluded from property policies in the same area.

(g) Maintain Liability Insurance - Maintain, to the extent reasonably available, liability insurance, including medical payments insurance, in the amount of I1, or such other, larger, amount as may be directed by the board of directors of the unit owners' association, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(h) Notify Members of the Absence of Insurance - Promptly notify all unit owners in writing by hand delivered notice or by prepaid United States mail if any required property or liability insurance is not reasonably available.

(I) Assist Members With Disclosure Requirements - Within ten days after a request by a unit owner, to furnish a certificate containing the information necessary to enable the unit owner to comply with the disclosure provisions of §35-8A-409 of the Act, which certificate must contain:

(a) A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;

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(b) A statement of any other fees payable by unit owners;

(c) The most recent regularly prepared balance sheet and income and expense statement, if any, of the association;

(d) The current operating budget of the association;

(e) A statement of any unsatisfied judgments against the association and any pending suit in which the association is a party;

(f) A statement describing any insurance coverage provided for the benefit of unit owners;

(g) A statement of the remaining term of any lease hold estate affecting the condominium and the provisions governing any extensions or renewal thereof;

(h) A statement of any restrictions in the declaration affecting the amount that may be received by a unit owner upon sale, condemnation, casualty loss to the unit or condominium or on termination of the condominium.

(i) Keep financial records sufficiently detailed to enable the association to comply with the requirements of the immediately preceding subparagraph.

(j) Make all financial and other records reasonably available for examination within Baldwin County by any unit owner and his authorized agents.

3. Loans to Directors and Officers Prohibited - The Association shall make no loans to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

ARTICLE FIVE
Membership

1. Members - The members of the Association shall consist of all of the record owners of condominium units in Bayshore Towers Condominium, and after termination of Bayshore

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Towers Condominium, members shall consist of those who are members at the time of such termination, and their successors and assigns.

2. Change of Membership - Change of membership in the Association shall be accomplished by recording in the public records of Baldwin County, Alabama, a deed or judgment establishing record title to a condominium in Bayshore Towers Condominium. The grantee in such instrument shall thus become a member of the Association, and the membership of the prior owner shall thereby be terminated, provided, however, that any party who owns more than one unit shall remain a member of the Association so long as he shall retain title to or interest in any unit.

3. Common Elements May Not Be Separated - 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 for which that share is held.

4. Number of Votes - On all matters upon which the membership shall be entitled to vote, each condominium unit shall be entitled to cast one vote, which votes may be exercised or cast in such manner as may be provided in the Declaration and By-Laws of the Association. Any person or entity owning more than one unit shall be entitled to cast the sum of the votes for all units owned, except as otherwise provided in the By-Laws.

ARTICLE SIX
Meetings

1. Meetings - Meetings of the Association shall be subject to the following rules (together with such other rules as the association may from time to time adopt):

(1) Not less than 10 days nor more than 50 days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by United States Mail to the mailing address designated in writing by each unit owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda,

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including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove an officer or a member of the board of directors.

(2) A quorum shall be deemed present throughout any meeting of the unit owners' association if persons entitled to cast 50 percent of the votes which may be cast for election of members of the board of directors are present in person or by proxy at the beginning of the meeting.

(3) If only one of multiple owners of a unit is present at a meeting of the unit owner's association, he is entitled to cast the vote allocated to that unit. If more than one of multiple owners are present, the vote allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners. There is majority agreement if any one of the multiple owners casts the vote allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

(4) A vote allocated to a unit may be cast pursuant to a proxy duly executed by the unit owner. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of a vote by the other owners of the unit through a duly executed proxy (see § 35-8A-310 (b) of the Code of Alabama). A unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

(5) No vote allocated to a unit owned by the unit owners' association may be cast.

2. Statutory Conflicts - There are apparent conflicts between the provisions of the Condominium Act and the provisions of the Nonprofit Corporation Act with respect to the subject of meetings. Compare §§ 35-8A-308 through 310 of the Condominium Act with §§ 10-3A-29 through 32 of the Nonprofit Corporation Act. The provisions set forth above are taken from the Condominium Act, as it is perceived to be controlling in the case of condominium owners'

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association on the principle that the specific controls the general and on the observation that the Condominium Act is the most recent pronouncement of the legislature on the subject.

ARTICLE SEVEN
Officers

1. Officers - The affairs of the Association shall be administered by a president, a vice-president, a secretary and a treasurer and such assistant secretaries and assistant treasurers as the Board of Directors may, from time to time, designate. Officers of the Association shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association. The names and addresses of the initial officers of the corporation, who shall serve until their successors are appointed by the Board of Directors, are as follows:

1. L. Russell Washer
2. John A. Graves
3. Phillip F. Foster

ARTICLE EIGHT
Directors

1. Directors to Manage Association - The affairs of the Association will be managed by its directors.

2. Number of Directors - The number of directors shall never be less than three, but may be such other, greater, number as may be fixed by the bylaws. The number of directors may be increased or decreased from time to time by amendment to the bylaws. No decrease in number shall have the effect of shortening the term of any incumbent director.

3. Qualifications of Directors - Directors appointed by the declarant need not be members of the Association. All directors elected by the unit owners, other than the declarant, shall be members of the Association.

4. Rules Prior to Transfer of Control - The directors constituting the first board of directors are named herein. Not later than 90 days after conveyance of 25 percent of the units initially created to unit owners other than a declarant, at least one member and not less than 25 percent of the members of the unit owners' association's board of directors must be elected by unit owners other than the declarant. Not later than 90 days after conveyance of 50 percent of the units initially created to unit owners other than a declarant, at least one member and not less than one third of the members of the unit owners' association's board of directors must be elected by unit owners other than the declarant.

5. Rules After Transfer of Control - Subject to the special rules regarding master associations, if applicable, not later than the termination of the period of declarant control, as defined in the declaration of condominium of Bayshore Towers Condominium, the unit owners shall elect a board of at least three members, at least a majority of whom must be unit owners other than declarant. The board of directors so constituted shall then elect new officers. The members of the board of directors and the officers shall take office upon election. Thereafter, the directors of the Association shall be elected at the annual meeting of the members in the manner specified in the bylaws. A two thirds vote of all persons present in person and entitled to vote at any meeting of the unit owners at which a quorum is present may remove any member of the board of directors with or without cause, other than a member appointed by the declarant.

6. Vacancies - Any vacancy occurring in the board of directors and any directorship to be filled by any reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors. A director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors for a term of office continuing only until the next election of directors.

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7. Quorum of Directors - A majority of the directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of a majority of a quorum, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum, or the refusal of any director present to vote.

8. Committees - The board of directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, in these articles or in the bylaws, shall have and exercise all the authority of the board of directors, except that no such committee shall have the authority of the board of directors in reference to amending, altering or repealing the bylaws; electing, appointing or removing any member of such committee or any director or officer of the Association; amending the articles of incorporation, restating articles of incorporation, adopting a plan of merger or adopting a plan of consolidation with another association authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any action or resolution of the board of directors which, by its terms, provides that it shall not be amended, altered or repealed by such committee. Other committees not having and exercising the authority of the board of directors in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed upon it or him by law.

9. Meetings of Directors - Regular meetings of the board of directors or any committee designated thereby may be held with or without notice as prescribed in the bylaws.

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Special meetings of the board of directors or any committee designated thereby shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors or any committee designated thereby need be specified in the notice of such meeting or the waiver of notice.

10. Action of Directors Without a Meeting - Any action required to be taken at a meeting of the directors of an association or any action which may be taken at a meeting of the directors or of a committee of directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the directors. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or documents filed with either the probate judge or secretary of state.

11. Limitations on Board Powers - The board of directors of the Association may not act on behalf of the Association to amend the declaration, terminate the condominium, elect members of the board of directors or determine the qualifications, powers and duties, or terms of office of board members, but the board may fill vacancies in its membership for the unexpired portion of any term. Nothing in these articles of incorporation or the bylaws may abrogate the provisions of this subparagraph.

12. Power to Avoid Declarant's Contracts - If entered into before the board of directors elected by the unit owners pursuant to the subparagraph immediately above takes office, any management contract, employment contract, any other contract or lease between the unit owners' association and a declarant or an affiliate of a declarant, or any contract or lease that is not bona fide or was unconscionable to the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the unit owners' association at any time after the

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board of directors elected pursuant to the immediately preceding subparagraph takes office upon not less than 90 days notice to the other party.

13. Initial Directors - The initial directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

1. L. Russell Washer
2. John A. Graves
3. Phillip F. Foster

ARTICLE NINE
Indemnification

1. Officers and Directors Indemnified - Every director and every officer of the Association (and the directors and/or officers as a group) shall be indemnified by the Association against all expenses and liabilities, including attorney's fees (at all trial and appellate levels) reasonably incurred by or imposed upon them in connection with any proceeding or litigation or settlement in which they may become involved by reason of their being or having been a director of officer of the Association. The foregoing provisions for indemnification shall apply whether or not they are a director or officer at the time such expenses are incurred. Notwithstanding the above, in the instances where a director or officer admits or is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all rights of indemnification to which a director or officer may be entitled whether by statute or common law.

2. Board Members - Standard of Care - Except as otherwise provided in the declaration, the bylaws, these articles of incorporation or the provisions of the Condominium Act or the Nonprofit Corporation Act, Association's board of directors may act on behalf of the Association. The officers and members of the board of directors who are appointed by the declarant

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shall be required to exercise the care required of fiduciaries of the unit owners other than the declarant. The officers and members of the board of directors elected by the unit owners other than the declarant shall be required to exercise ordinary and reasonable care.

ARTICLE TEN
Bylaws

1. Minimum Requirements - The bylaws of the Association must provide for:

(a) The number of members of the board of directors and the titles of the officers of the association;

(b) Election by the board of directors of a president, vice president, treasurer, secretary and any other officers of the association the bylaws specify;

(c) The qualifications, powers and duties, terms of office, and manner of electing and removing board members and officers and filling vacancies;

(d) Which, if any, of its powers the board may delegate to other persons or to a managing agent;

(e) Which of its officers may prepare, execute, certify, and record amendments to the declaration on behalf of the Association;

(f) The method of amending the bylaws, but in no event shall the required percentage for amendment of the bylaws exceeds two thirds of the total Association; and this subparagraph may not be amended;

(g) Such other matters as may be appropriate and not in conflict with the terms and provisions of this declaration or the Act.

2. Amendments to Bylaws - The directors shall have the power to alter, amend or repeal the bylaws, or adopt new bylaws; however, at any meeting of the members any change in the bylaws by the board may be altered, amended or repealed by a two thirds vote of the members entitled to vote at the meeting.

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ARTICLE ELEVEN
Amendments

1. In General - Any instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language of such amendment, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles.

2. Method of Amendment - These Articles may be amended at any time, but only in the following manner:

(a) Resolution - The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be either an annual or a special meeting;

(b) Notice - Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member in the manner prescribed in Article Six, above.

(c) Two Thirds Vote Required - The proposed amendment shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at the meeting. Any number of amendments may be submitted to the members and voted upon at one meeting, provided that all were noticed in the manner provided herein.

(d) Alternative Method - Notwithstanding the foregoing, an amendment to these Articles may be made by a written statement signed by all members of the Association.

(e) Directors Must Assent - No amendment to these Articles may be made by the members without an act of the directors.

3. Articles of Amendment - Upon the adoption of any amendment, articles of amendment shall be executed for the Association by the president or a vice president, and by its secretary or an assistant secretary, shall be verified by one of the officers signing the articles of amendment, and shall set forth:

(a) The name of the Association;

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(b) The text of the amendment;

(c) A statement setting forth the date of the meeting of the members at which the amendment was adopted, that a quorum was present at such meeting, and that such amendment received at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting; or,

(d) A statement that such amendment was adopted by a consent in writing signed by all members entitled to vote thereon with respect thereto.

4. Amendment May Not Affect the Declaration - No amendment to these Articles shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the declaration of condominium of Bayshore Towers Condominium.

5. Declarant Must Assent to Certain Amendments - Without the prior written consent of the declarant, no amendment to these Articles shall abridge, amend or alter the rights of the declarant with respect to Bayshore Towers Condominium, including but not limited to the declarant's right to designate and select the directors as provided in these Articles and the declaration of condominium of Bayshore Towers Condominium, nor shall any amendment make any changes in the qualifications for membership or the voting rights of the members, or make any change of any of the provisions which are for the benefit of the holder or the insurer of first mortgages on Bayshore Towers Condominium or its individual condominium units, or make any change that would terminate the Association, unless Bayshore Towers Condominium shall first have been terminated in accordance with provisions therefor in its declaration of condominium.

ARTICLE TWELVE
Resolution of Conflicts

1. Priorities - Conflicts among the provisions of these Articles, the Association's bylaws, the provisions of the declaration of condominium of Bayshore Towers Condominium, and

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the Condominium Act or the Nonprofit Corporation Act shall be resolved according to the following priority:

(a) Priority One - The Condominium Act.

(b) Priority Two - The Nonprofit Corporation Act.

(c) Priority Three - The Declaration of Condominium.

(d) Priority Four - These Articles

(e) Priority Five - The bylaws.

ARTICLE THIRTEEN
Definitions

1. Definitions - Unless herein clearly provided to the contrary, or unless the context obviously otherwise requires, the terms used in these Articles shall have the same definitions and meanings as set forth in the Condominium Act and in the Declaration of Condominium of Bayshore Towers Condominium.

ARTICLE FOURTEEN
Registered Office and Registered Agent

1. Registered Office and Agent Required - The Association shall have and shall continuously maintain within the State of Alabama a registered office and a registered agent. The agent may be a corporation qualified to do business in Alabama. The registered office may, but need not be, the Association's principal place of business.

2. Initial Registered Agent - The initial registered agent of the Association is Phillip F. Foster.

3. Initial Registered Office - The initial registered office of the Association is: 28250 Canal Road, Orange Beach, Alabama 36561.

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4. Change in Registered Office or Agent - The Association may change its registered office and registered agent by filing in the office of the Judge of Probate of Baldwin County a statement executed for the corporation by its president or a vice president, verified by him, and one copy thereof, setting forth:

(a) The name of the Association;

(b) The location and mailing address of its then registered office;

(c) If the location of the registered office is changed, the location or mailing address to which the registered office is to be changed;

(d) The name of its then registered agent;

(e) If its registered agent is changed, the name of its successor registered agent;

(f) That the address of its registered office and the address of the office of its registered agent, as changed, will be identical;

(g) That such change was authorized by resolution duly adopted by its board of directors.

5. Change of Address by Agent - If a registered agent changes his or its business address to another place within the same county, he or it may change such address and the registered office address of the corporation by filing a statement and one copy thereof signed by him or, if a corporation, by its duly authorized officer. The statement must recite that a copy has been mailed to the Association.

6. Resignation of Registered Agent - Any registered agent may resign as such agent upon filing a written notice thereof, executed in triplicate, with the Judge of Probate of Baldwin County, Alabama, and the appointment of such agent shall terminate upon the expiration of 30 days after receipt of the notice by the probate judge.

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ARTICLE FIFTEEN
Dissolution

1. Dissolution - If Bayshore Towers Condominium is terminated, the Association shall wind up its affairs and distribute its assets in an orderly manner in accordance with the provisions of the declaration of condominium of Bayshore Towers Condominium, the Condominium Act and the Nonprofit Corporation Act. The directors shall be strict trustees of the Association's assets during the termination and dissolution period. In the event of conflict between the condominium provisions and the nonprofit corporation provisions, the condominium provisions shall prevail.

ARTICLE SIXTEEN
Incorporator

The name and address of the incorporator is Phillip F. Foster.

IN WITNESS WHEREOF, the incorporator has signed these Articles, 27th day of April, 2004.

PHILLIP F. FOSTER

The undersigned hereby accepts the designation of Registered Agent of Bayshore Towers Condominium Owners' Association, Inc., as set forth in these Articles of Incorporation.

PHILLIP F. FOSTER

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STATE OF ALABAMA
BALDWIN COUNTY

General Acknowledgment

I, the undersigned authority, in and for said county, in said state, hereby certify that PHILLIP F. FOSTER, whose name is signed to the above and foregoing instrument, and who is known to me, acknowledged before me on this date that, being informed of the contents of the instrument he or she, as the case may be, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 27th day of April, 2004

Pam Hall
Notary Public
My Commission Expires 5-3-04

This instrument was prepared by:

L.P. Sutley
SUTLEY & DAVIS, P.C.
Post Office Box 10
Summerdale, Alabama 36580
(251) 955-1579

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Exhibit D-2 [Bylaws]

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BYLAWS OF
BAYSHORE TOWERS, A CONDOMINIUM,
OWNERS' ASSOCIATION, INC.

1. Preamble - These are the bylaws of Bayshore Towers, A Condominium, Owners' Association, Inc., hereinafter called the "Association," a non-profit corporation, organized and existing under the laws of the State of Alabama pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, §§ 35-SA-101, et seq., CODE OF ALABAMA 1975, hereinafter sometimes referred to as the "Condominium Act" and the Alabama Nonprofit Corporation Act §§ 10-3A-1, et seq., CODE OF ALABAMA 1975, hereinafter sometimes referred to as the Nonprofit Corporation Act.

2. Principal Office - The principal office of the Association shall be at Bayshore Towers Condominium, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.

3. Fiscal Year - The fiscal year of the Association shall be the calendar year.

4. Corporate Seal - The seal of the Association shall bear the name of the corporation, with the word "Alabama," the Condominium Owners' Association, Inc., was incorporated.

5. Definitions - All terms defined in the Condominium Corporation Act, the declaration of condominium of Bayshore Towers Condominium and the Articles of Incorporation of

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Bayshore Towers, A Condominium, Owners' Association, Inc., are incorporated herein by reference.

6. Members of the Association - Those persons, partnerships, joint ventures, corporations or other legal entities who presently own or hereafter acquire ownership of units in Bayshore Towers Condominium shall be members of the Association. The voting rights of members are set forth in the declaration of condominium of Bayshore Towers Condominium and elsewhere in these bylaws.

7. Annual Meetings of the Members - An annual meeting of the members of the Association shall be held at 10:00 A.M. on the first Saturday in December of each year. The meeting shall be held at Bayshore Towers Condominium or at such other place as shall be determined by the Board of Directors and properly noticed to the members. The annual meeting shall be for the purpose of electing directors and transacting any other business which may properly be brought before the meeting.

8. Special Meetings of the Members - Special meetings of the members of the Association 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 percent (20%) of the votes of the entire membership. The business

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conducted at a special meeting shall be limited to that stated in the notice of the meeting.

9. Notice of Meetings of the Members - Notice of all members' meetings stating the time and place and the object for which the meeting is called shall be given by the Secretary or President or Vice President unless waived in writing. Written notice by mail shall be given to each Unit Owner not less than 10 nor more than 60 days prior to the date of the meeting. If a unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address which the declarant initially identifies for that purpose and thereafter as one or more of the owners of the unit shall so advise the Association in writing, or if no address is given, or the owners of the unit do not agree, to the address provided on the deed of record. An officer of the Association, or the manager or other person providing notice of the Association meeting, shall provide an affidavit or United States Postal Service Certificate of mailing, to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each unit owner at the address last furnished to the Association. Notice of meetings may be waived before or after the meeting by any unit owner in writing.

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10. Action by Members Without Meeting - Any action required to be taken at a meeting of the members of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter of the action. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or documents filed with either the Probate Judge of Baldwin County or the Alabama Secretary of State.

11. Quorum at Members' Meetings - A quorum shall be deemed present throughout any meeting of the unit owners' association if persons entitled to cast 50 percent of the votes which may be cast for election of members of the board of directors are present in person or by proxy at the beginning of the meeting.

12. Voting at Members' Meetings - In all unit owners' association matters, each unit shall be entitled to one vote. There shall therefore be a total of 53 votes in the unit owners' association. Votes allocated to a unit may be cast pursuant to a proxy duly executed by the unit owner(s). If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. (See § 35-8A-310 (b), Code of Alabama).

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13. Proxies - Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Every proxy shall be revocable at any time at the pleasure of the person executing it, but a unit owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

14. Adjourned Meetings - If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is present.

15. The Order of Business: The order of business at annual members' meetings, and as far as practical, at other members' meetings, shall be:

a. Calling of the roll and certifying of proxies;

b. Proof of notice of meeting or waiver of notice;

c. Reading and disposal of any unapproved minutes;

d. Reports of Officers;

e. Reports of Committees;

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f. Appointment of inspectors of election;

g. Election of Directors;

h. New business;

I. Adjournment.

16. Declarant's Control Period - As stated in the declaration of condominium of Bayshore Towers Condominium, declarant has exercised its right to control the unit owners' association for the maximum period provided by the Condominium Act, in the manner provided therein, and to that end declarant has reserved the right to appoint or remove any officer of the association or any master association or any board member during the period which extends from the execution and recording of this declaration through and including the earliest of: (a) 60 days after conveyance of 75% of the units to unit owners other than Declarant, or (b) two years after Declarant has ceased to offer units for sale in the ordinary course of business. Declarant may voluntarily surrender the right to appoint and remove officers and members of the board of directors before the termination of the control period as defined above, but in that event declarant may require, for the duration of the period of declarant control, that specified actions of the unit owners' association or its board of directors, as described in a recorded instrument executed by the declarant, be approved by the declarant before they may become effective.

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17. Minimum Representation of Owners - Not later than 90 days after conveyance of 25 percent of the units which may be created to unit owners other than a declarant, at lease one member and not less than 25 percent of the members of the unit owners' association's board of directors must be elected by unit owners other than the declarant. Not later than 90 days after conveyance of 50 percent of the units which may be created to unit owners other than a declarant, at least one member and not less than one third of the members of the unit owners' association's board of directors must be elected by unit owners other than the declarant.

18. Formal Termination of Declarant's Control - Within sixty (60) days after the termination of the period of declarant control, the Association shall call and give notice as required herein of a membership meeting to be held for the purpose of electing new Directors. Such meeting may be called and a notice given by any unit owner if the Association shall fail to do so in the time required. At such meeting the declarant shall relinquish control of the Association to the members and shall deliver to the Association all Association property held or controlled by the declarant.

19. Minutes - The minutes of all meetings of unit owners shall be kept in a book available for inspection by unit owners or their authorized representatives and Board Members at any

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reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

20. Directors' Qualifications - All members of the Board of Directors elected by unit owners other than the declarant shall be members of the Association. Any member of the Board of Directors appointed by the declarant need not be a member of the Association. The affairs of the Association shall be managed by a Board of not less than three (3), but may such other, larger number, as may later be provided by amendment to these bylaws.

21. Election of Directors - After termination of the period of declarant control, elections of Directors shall be conducted in the following manner:

a. Election of Directors shall be held at the annual members' meeting.

b. The Board of Directors shall appoint a nominating committee of not less than three (3) nor more than five (5) members, which designation shall be made not less than thirty (30)days prior to the date notice of the annual meeting is mailed, and such committee shall be charged with the duty of nominating one person for each Director to be elected, provided, however, that additional nominations from condominium owners shall be received from the floor prior to elections at the annual meeting.

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c. The election shall be by ballot (unless dispensed with by the majority consent of the unit represented at the meeting) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

d. 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.

e. Any Director elected by the unit owners may be removed by concurrence of a majority of the vote of all condominium unit owners. The vacancy in the Board of Directors so created shall be immediately filled after a vote of the unit owners at the same meeting.

22. Terms of Directors' Service - The normal term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

23. First Meetings of Newly Elected Boards - The organization meeting of a newly-elected Board of Directors shall be held within on the day of their election at such place and time as shall be fixed by the Directors at the meeting at which

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they were elected, and no further notice of the organization meeting shall be necessary.

24. Regular Meetings of the Board - Regular meetings of the Board of Directors may be held at such times and places 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 telegraph, at least three (3) days prior to the day named for such meeting.

25. Special Meetings of the Board - Special meetings of the Board of 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 Directors. 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.

26. Director's Meetings Shall be Open - Meetings of die Board of Directors shall be open to all unit owners, and notice of such meeting shall be posted forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided that unit owners shall not be permitted to participate, and need not be recognized at any such meeting.

27. Waiver of Notice: Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be

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deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

28. Quorums at Directors Meetings - A quorum at Director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the declaration of condominium or articles of incorporation of Bayshore Towers Condominium, these bylaws or the laws of the State of Alabama.

29. Adjourned Meetings - 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. No further notice need be given of an adjourned meeting. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

30. Presiding Officer - The presiding officer of Directors' meeting shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the

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absence of the presiding officer, the Directors present shall designate one (1) of their number to preside.

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

a. Calling of roll;

b. Proof of due notice of meeting;

c. Reading and disposal of any unapproved minutes;

d. Reports of officers and committees;

e. Election of officers;

f. Unfinished business;

g. New business;

h. Adjournment.

32. Directors' Fees - Directors' fees, if any, shall be as determined by the members of the Association and an approval of any such fees shall require the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Association, provided, however, that Directors designated by the declarant, and the first Board of Directors, shall not be entitled to any fees or compensation for their services as Directors.

33. Minutes - The minutes of all meetings of Board of Directors shall be kept in a book available for inspection by unit owners or their authorized representatives and Board members al any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

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34. Joinder in Meeting by Approval of Minutes: The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting.

35. Recall of Board Members: A two thirds vote of all persons present in person and entitled to vote at any meeting of the unit owners at which a quorum is present may remove any member of the board of directors with or without cause, other than a member appointed by the declarant. These bylaws may not be amended to abrogate the provisions of this subparagraph.

36. Powers and Duties of the Board of Directors: The Board of Directors shall have all of the powers and duties as provided under the Condominium Act, the Nonprofit Corporation Act, the declaration of condominium and articles of incorporation of Bayshore Towers Condominium Owners' Association, Inc., and these bylaws which are necessary for the administration of the affairs of the condominium.

37. Delegation of Board Powers - The Board of Directors may delegate any ministerial powers as it may see fit, but may not delegate its ultimate responsibility.

38. Officers - The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of

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Directors, and there may also be such Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time determine upon. Any person may hold two (2) or more offices, except that the same person shall not hold the office of President and Vice President, nor shall the President or Vice President also be Secretary or Assistant Secretary. Any office may be removed peremptorily by a vote of two-thirds (2/3) of the Directors present at any duly constituted meeting of the directors. Any vacancy so created shall be immediately filled by a vote of two thirds (2/3) of the Directors present.

39. The President - The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

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

41. The Secretary - The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall

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attend to the giving and serving of all notice to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix it 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 secretary of an association and as may be required by the Directors or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall otherwise assist the Secretary.

42. The Treasurer - The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent, and shall otherwise assist the Treasurer.

43. Compensation of Officers - No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is a designee of the declarant shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to

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prohibit or prevent the Board of Directors from employing any Director or officer as an employee of the Association at such compensation as the Board shall determine upon, nor shall anything herein be construed so as to preclude the Board from contracting with a Director or officer or with any corporation in which a Director or officer of the Association may be a stockholder, officer, director or employee, for the management of the condominium for such compensation as shall be mutually agreed between the Board and such officer or Director, provided that full, written, disclosure of any conflict of interest is made to the Board of Directors, and provided, further, that no Director shall vote on or with respect to any matter for which that director has a conflict of interest.

44. Budget Responsibilities - The Board of Directors shall from time to time, and at least annually, prepare a detailed budget for Bayshore Towers Condominium listing all expenses anticipated to become payable by the unit owners to meet the expenses of the condominium during the next fiscal year. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than $10,000.00. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount to be

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reserved shall be computed by means of a formula which is based upon the estimated life, the estimated replacement cost, and the deferred maintenance expense of each reserve item.

45. Adoption of Budgets - Within 30 days after adoption of any proposed budget for the condominium, the board of directors of the unit owners' association shall provide a copy thereof 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 14 days nor more than 30 days after delivery or mailing of the budget to the unit owners. Unless at that meeting two thirds of all the unit owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed as set forth above.

46. Assessments - The Board of Directors shall allocate and assess all common and limited common expenses among the unit owners in accordance with the provisions of the declaration. Annual assessments against the condominium unit owners for their respective shares of the items of the budget shall be made for the calendar year annually in advance on or before December 1 preceding the year for which the assessments are made. Such assessments shall be payable in equal installments, commencing on

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the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remainder of the calendar year for which an amended assessment is made shall be payable in as many equal installments as there are full months of the calendar year left as of the date of such amended assessment, each such monthly installment to be paid on the first day of the month, commencing the first day of the next ensuing month. Provided nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

47. Assessments for Emergencies - Assessments for common expenses for emergencies that cannot be paid from the annual assessments for common expenses shall be due only after ten (10) days' notice is given to the unit owners concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such assessments.

48. Charges- Charges by the Association against members for other than common expenses shall be payable on demand. These charges may be collected by assessments in the same manner as

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common expenses, and when circumstances permit, those charges shall be added to the assessments for common expenses. Charges for other than common expenses may be made only after approval of a member or when expressly provided for in the Declaration or the exhibits attached thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the use of portions of the condominium property, maintenance services furnished at the expense of an owner, other services furnished for the benefit of an owner and fines and damages and other sums due from such owner.

49. Depository - The depository of the Association shall be such bank or banks in the state as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from assessments or contributions to working capital or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors.

50. Acceleration of Installments Upon Default: If a unit owner shall be in default in the payment of an installment upon his assessments, the Board of Directors or its agent may accelerate the remaining installments of the assessments.

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Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

51. Fidelity Bonds - If reasonable available, fidelity bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in the principal sum of not less than Ten Thousand and 00/100ths ($10,000.00) Dollars for each such person. Subject to the foregoing limitation, the Board of Directors, by a majority vote, shall determine the amount of such bonds providing the amounts must meet the requirements as may be specified in the Federal National Mortgage Association Lending Guide. The premiums on such bonds shall be paid by the Association as a common expense.

52. Accounting Records and Reports - The Association shall maintain accounting records in the state, according to good accounting principles normally used by similar associations. The records shall be open to inspection by unit owners or their authorized representatives at reasonable times. The records shall include, but not be limited to (a) a record of all receipts and expenditures and (b) an account for each unit designating the name and current mailing address of the unit owner, the amount of assessments, the dates and amounts in which the assessments come due, the amount paid upon the account and the dates so paid, and

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the balance due. Written summaries of the records described in clause (1) above, in the form and manner specified below, shall be supplied to each unit owner annually. Within sixty (60) days following the end of the fiscal year, the Board shall mail, or furnish by personal delivery, to each unit owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

a. Cost for security;

b. Professional and management fees and expenses;

c. Taxes;

d. Cost for recreation facilities;

e. Expenses for refuse collection and utility services;

f. Expenses for lawn care;

g. Expenses for pool care;

h. Cost for building maintenance and repair;

I. Insurance costs;

j. Administrative and salary expenses;

k. General reserves, maintenance reserves and depreciation reserves.

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53. Notice of Assessment Meetings - Notice of any meeting where assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

54. Roster of Unit Owners: Each unit owner shall file with the Association a copy of the deed or other instrument showing his ownership and shall also file with the Association an address at which the unit owner may receive all notices as required by the Declaration, Articles and these bylaws. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only unit owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting, other owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting. No owner shall be entitled to vote or to be counted for purposes of determining a quorum if delinquent in the payment of assessments as elsewhere herein provided.

55. Parliamentary Rules - Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings

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when not in conflict with the Declaration, the Articles or these bylaws.

56. Amendments: Amendments to the bylaws shall be proposed and adopted in the following manner:

56.1 Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which the proposed amendment is considered. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing bylaws shall contain the full text of the old bylaw and the full text of the proposed new bylaw. Non-material errors or omissions in the By-Law process will not invalidate an otherwise properly promulgated amendment.

57. Method of Proposing Amendments - A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as hereinafter provided, approval of a proposed amendment must be either by:

a. Not less than a majority of the entire membership of the Board of Directors and not less than a majority of the votes of the members of the Association voting at the particular meeting; or

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b. Not less than two thirds (2/3) of the votes of the entire membership of the Association (and this provision may not be amended); or

c. Until the termination of the period of declarant control, only by all of the Directors of the Association.

58. Consent of Mortgagees - No modification or amendment to these bylaws shall be adopted which would affect or impair the priority of any "Mortgagee" (as such term is defined in the Declaration), the validity of the mortgage held by any such mortgagee or any of the rights of declarant.

59. Execution and Recording - A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and bylaws, which certificate shall be executed by the President or Vice President, and Secretary, with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are duly recorded as an amendment to the declaration of condominium of Bayshore Towers Condominium in the public record of Baldwin County, Alabama.

60. Rules and Regulations - The Board of Directors may, from time to time, promulgate rules and regulations concerning the use of portions of the condominium property and the recreation area, and from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date

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that control of the Board of Directors is turned over by the declarant to unit owners other than the declarant, owners of a majority of the units may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected unit owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the declarant.

THE FOREGOING were adopted as the bylaws of Bayshore Towers Condominium Owners' Association, Inc., a corporation nonprofit under the laws of the State of Alabama, at the first meeting of the Board of Directors, this _____ day of _____, 2004.

_____
Director

_____
Director

_____
Director

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Exhibit E [Plan or plat of private elements, common elements, and limited common elements]

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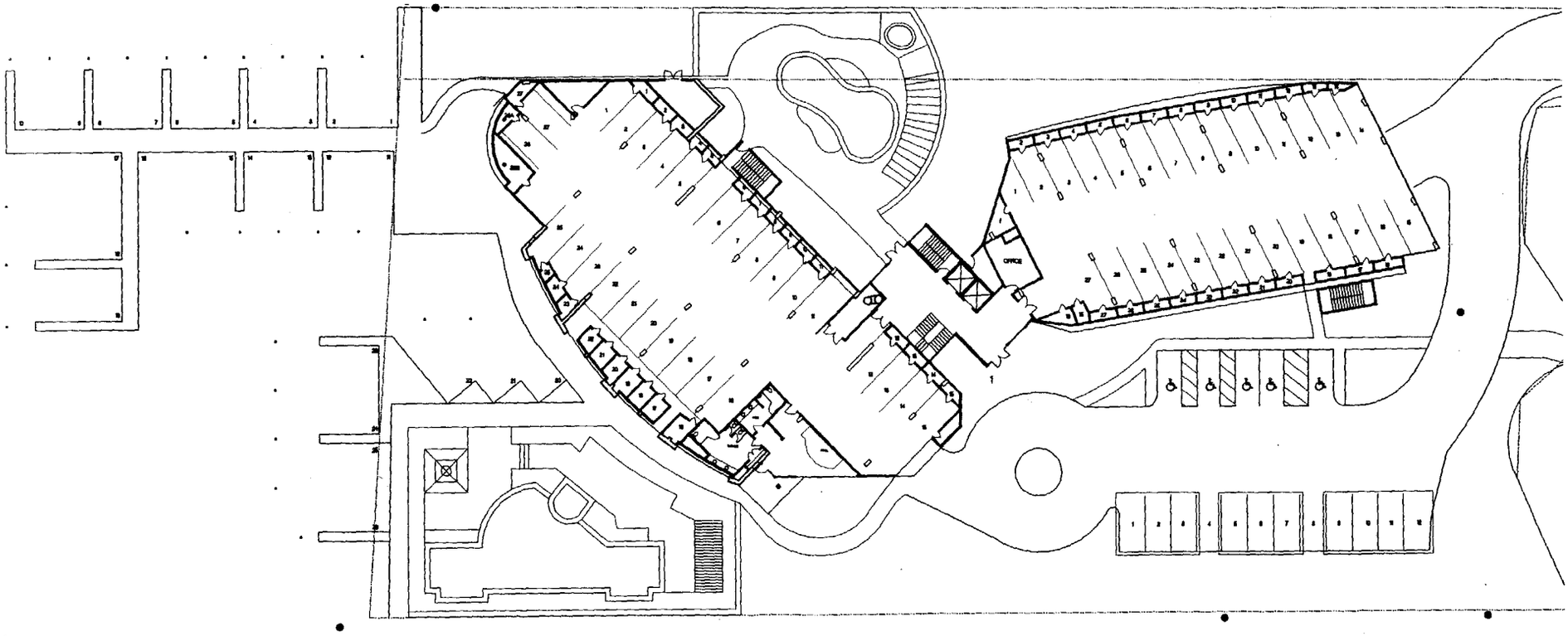
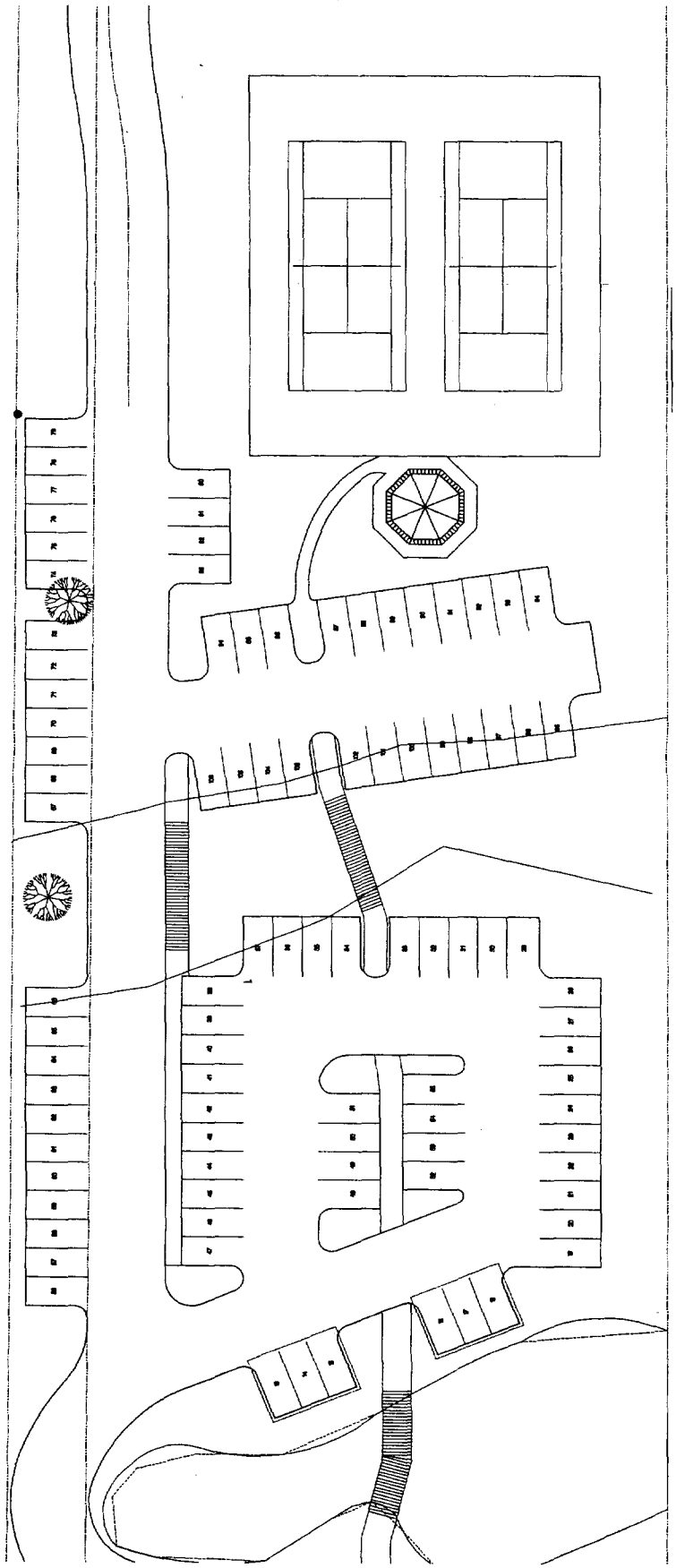
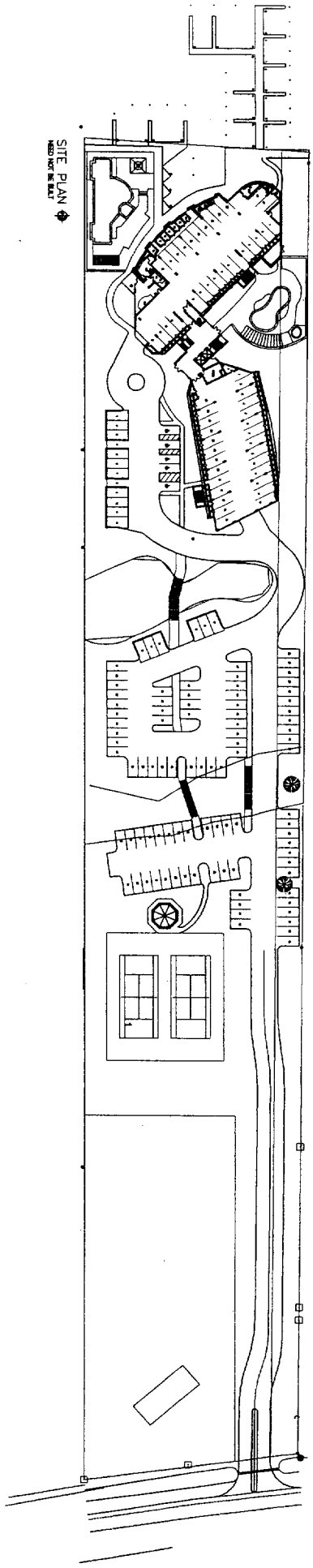
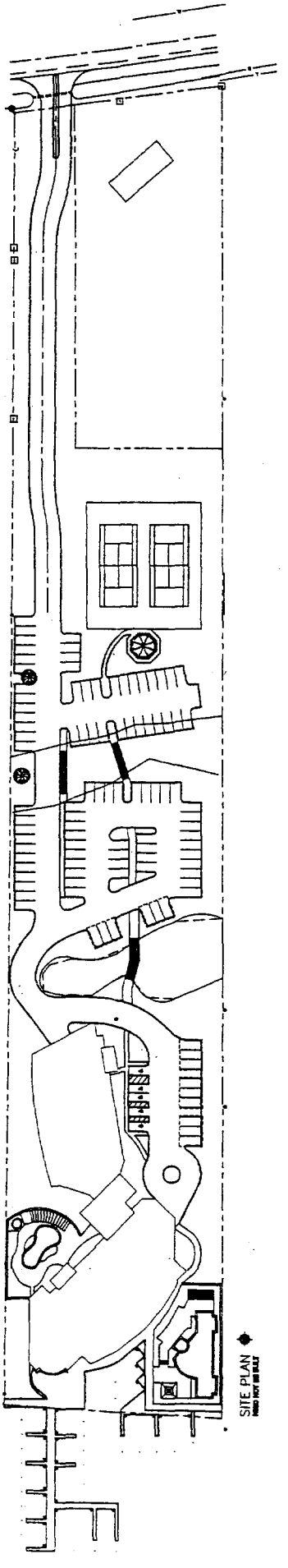


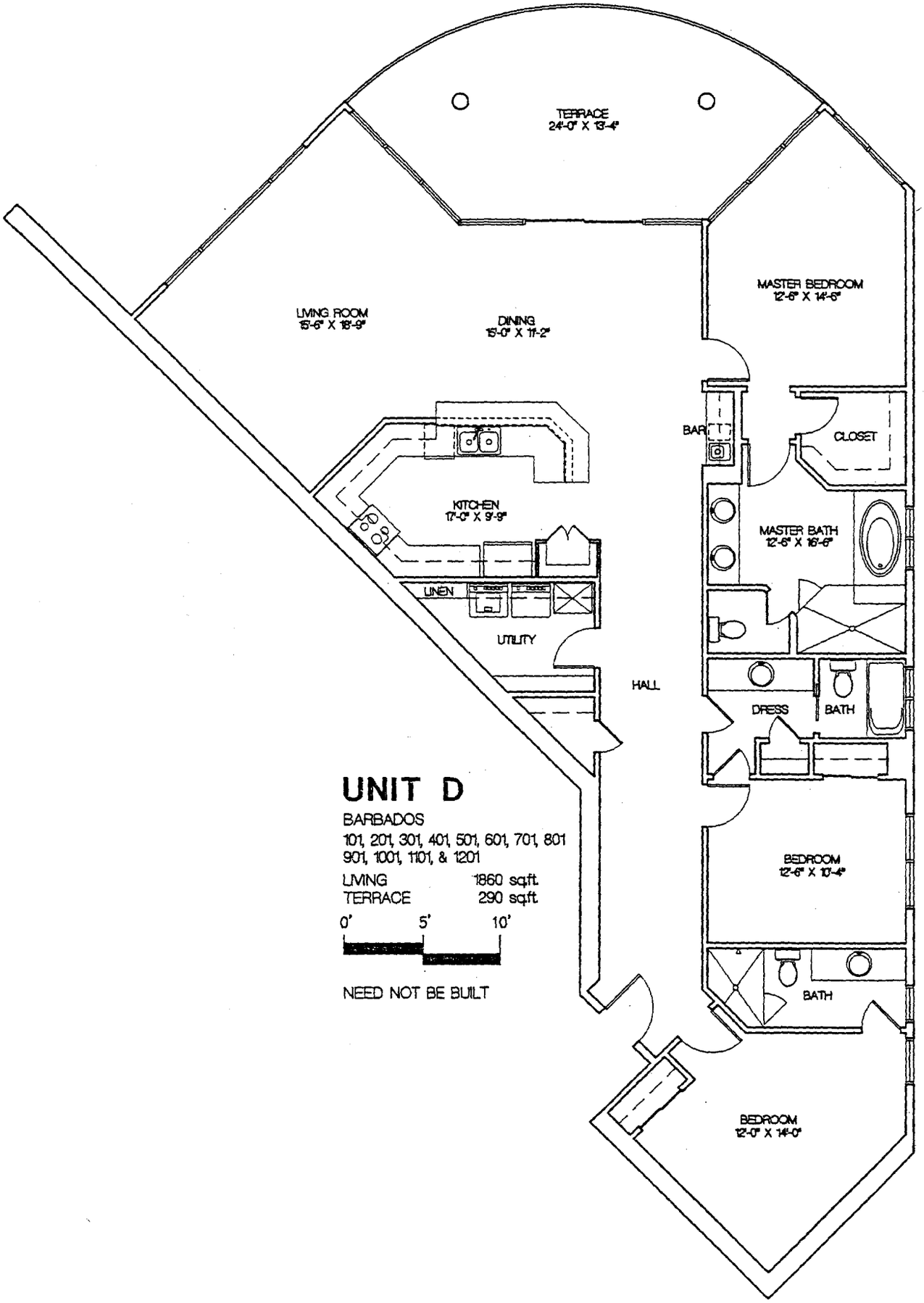
SITE PLAN

NEED NOT BE BUILT




SITE PLAN
NEED NOT BE BUILT


SITE PLAN



UNIT D

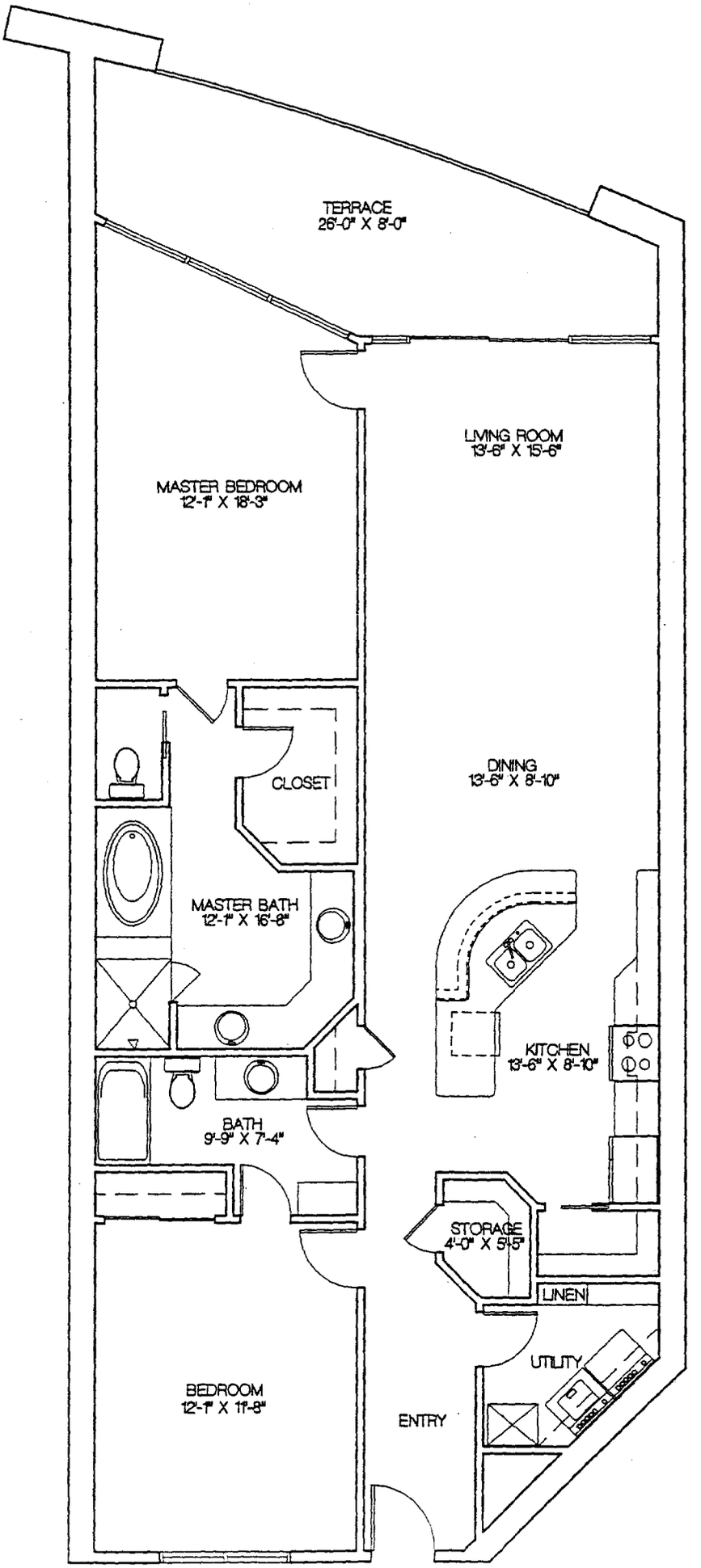
BARBADOS

101, 201, 301, 401, 501, 601, 701, 801
901, 1001, 1101, & 1201

LIVING	1860 sq.ft.
TERRACE	290 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



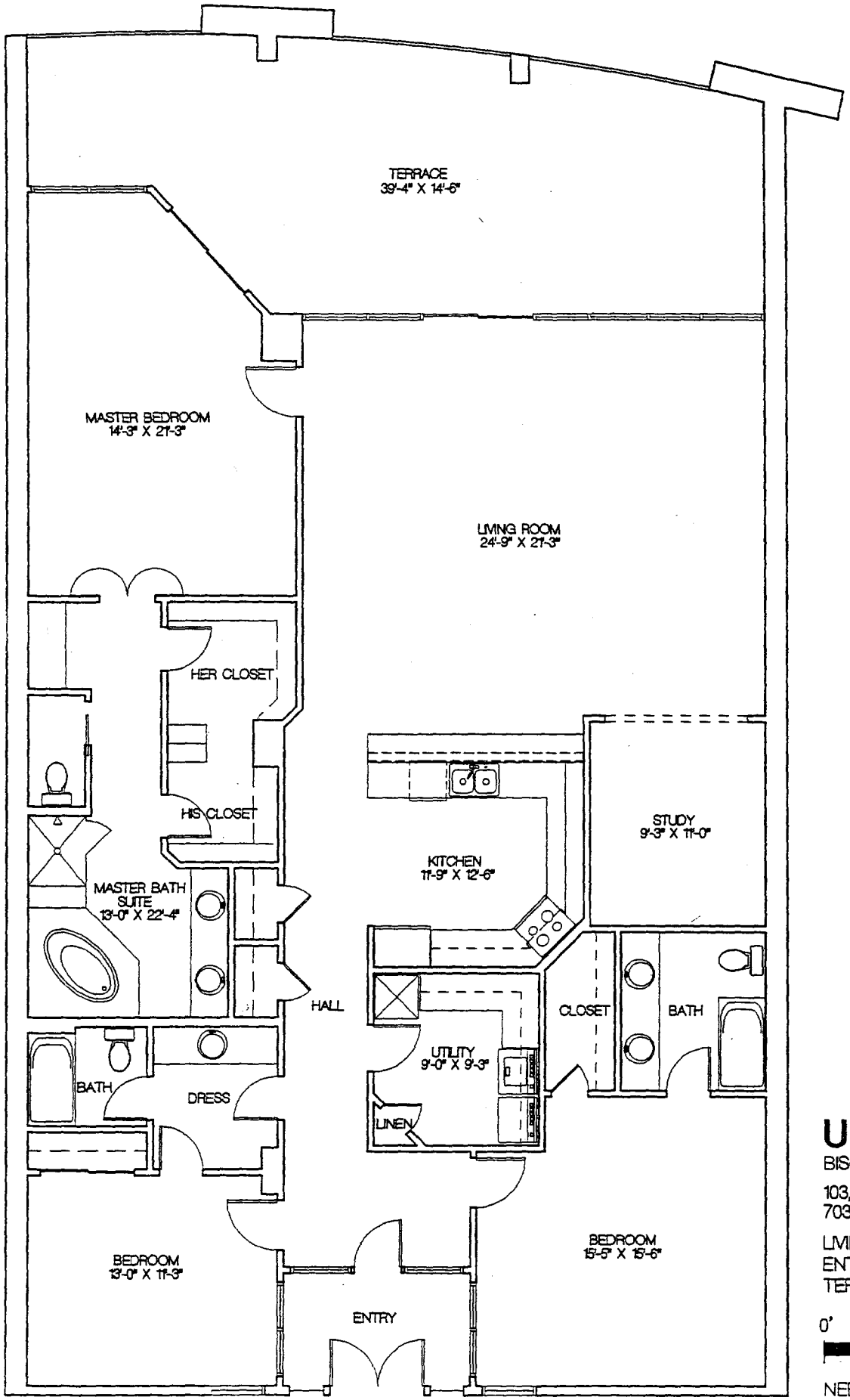
UNIT A

ANTIGUA
102, 202, 302, 402, 502, 602, 702, 802, 902, 1002

LIVING	1429 sq.ft.
TERRACE	196 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT E-1

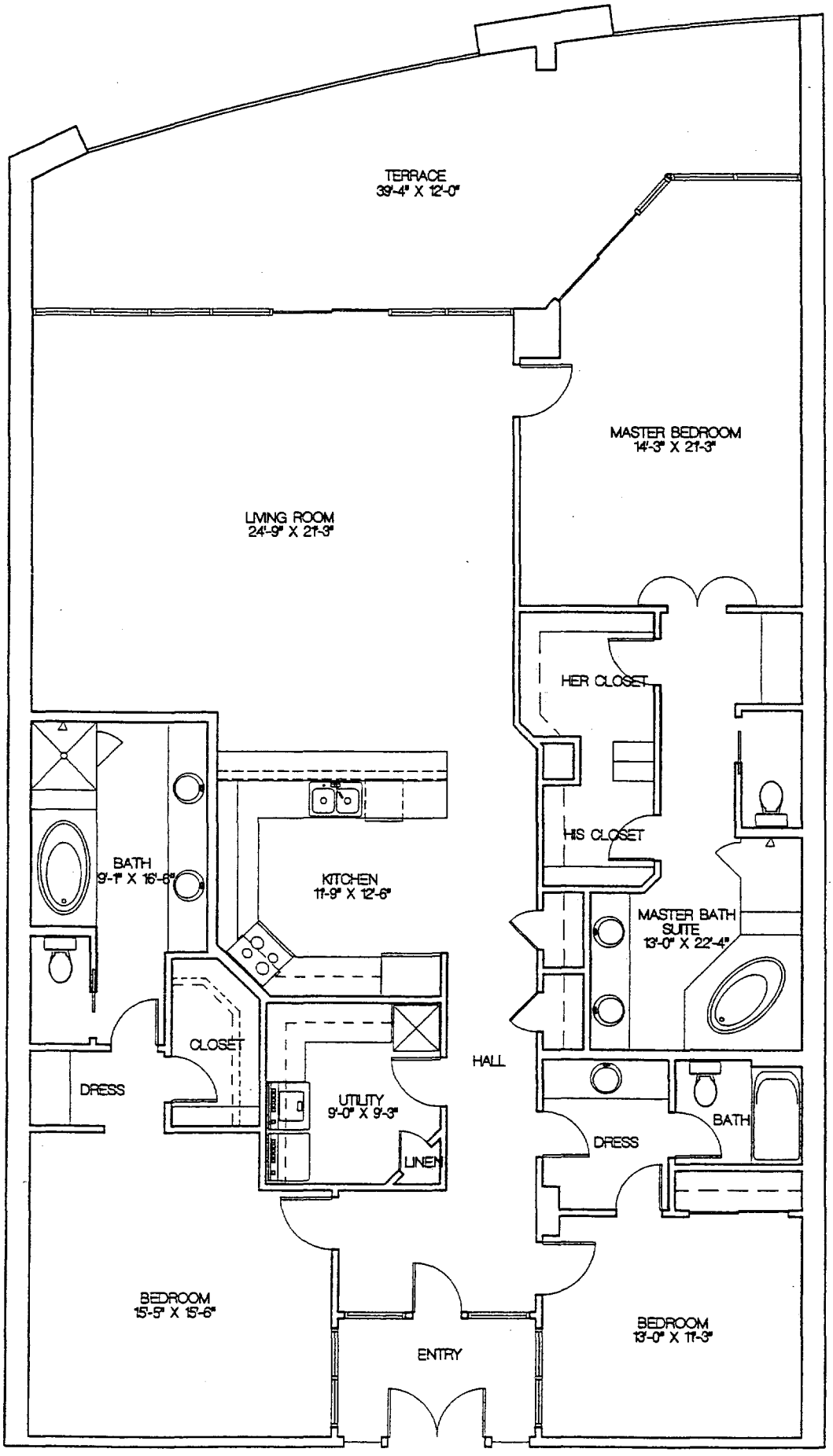
BISCAYNE

103, 203, 303, 403, 503, 603, 703, 803, 903, 1003

LIVING	2257 sq.ft.
ENTRY TERRACE	60 sq.ft.
TERRACE	483 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT E-2

BISCAYNE
104, 204, 304, 404, 504, 604,
704, 804, 904, 1004

LIVING	2242 sq.ft.
ENTRY TERRACE	62 sq.ft.
TERRACE	395 sq.ft.

0' 5' 10'

NEED NOT BE BUILT

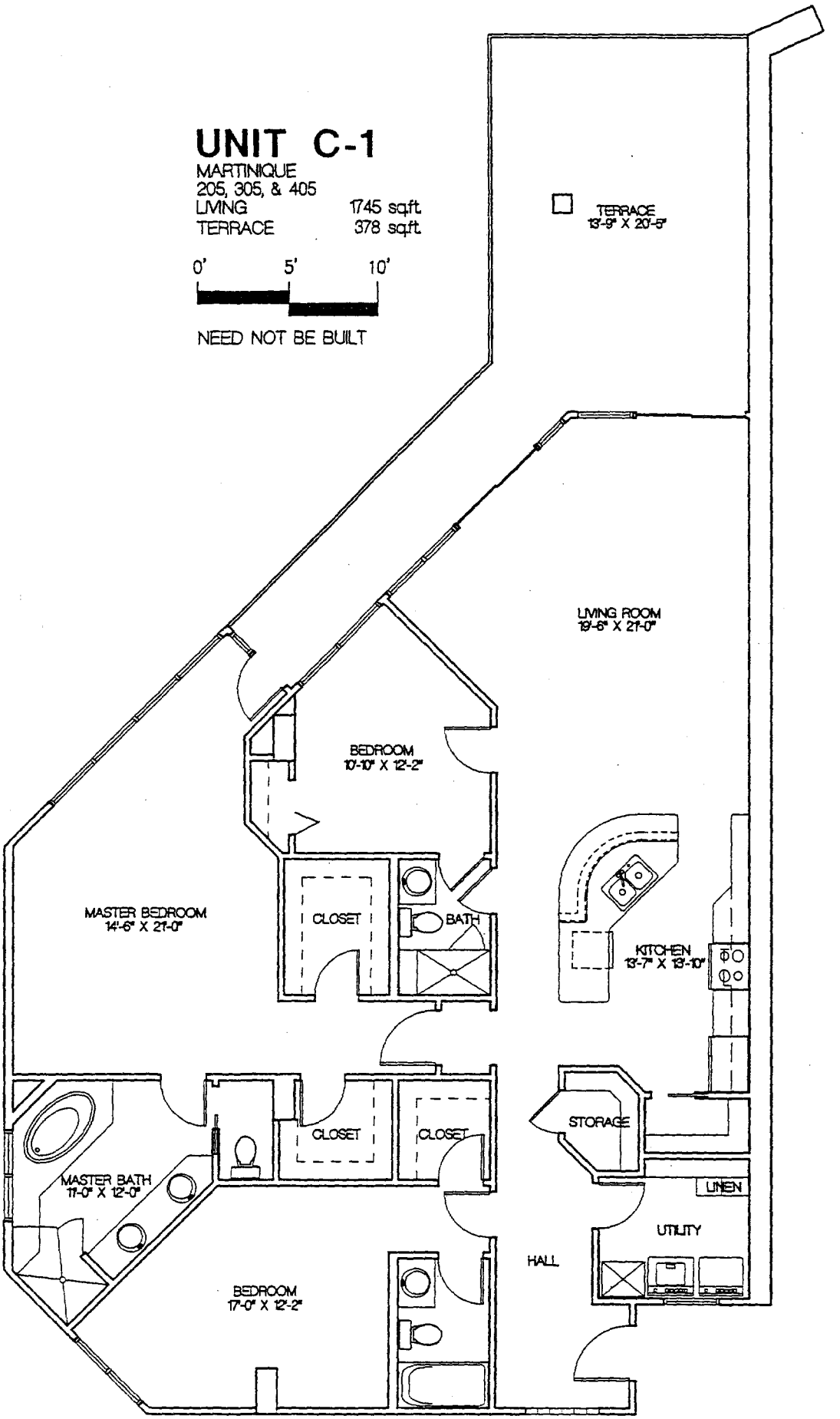
UNIT C-1

MARTINIQUE
205, 305, & 405

LIVING	1745 sq.ft.
TERRACE	378 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT C-2

LOWER LEVEL

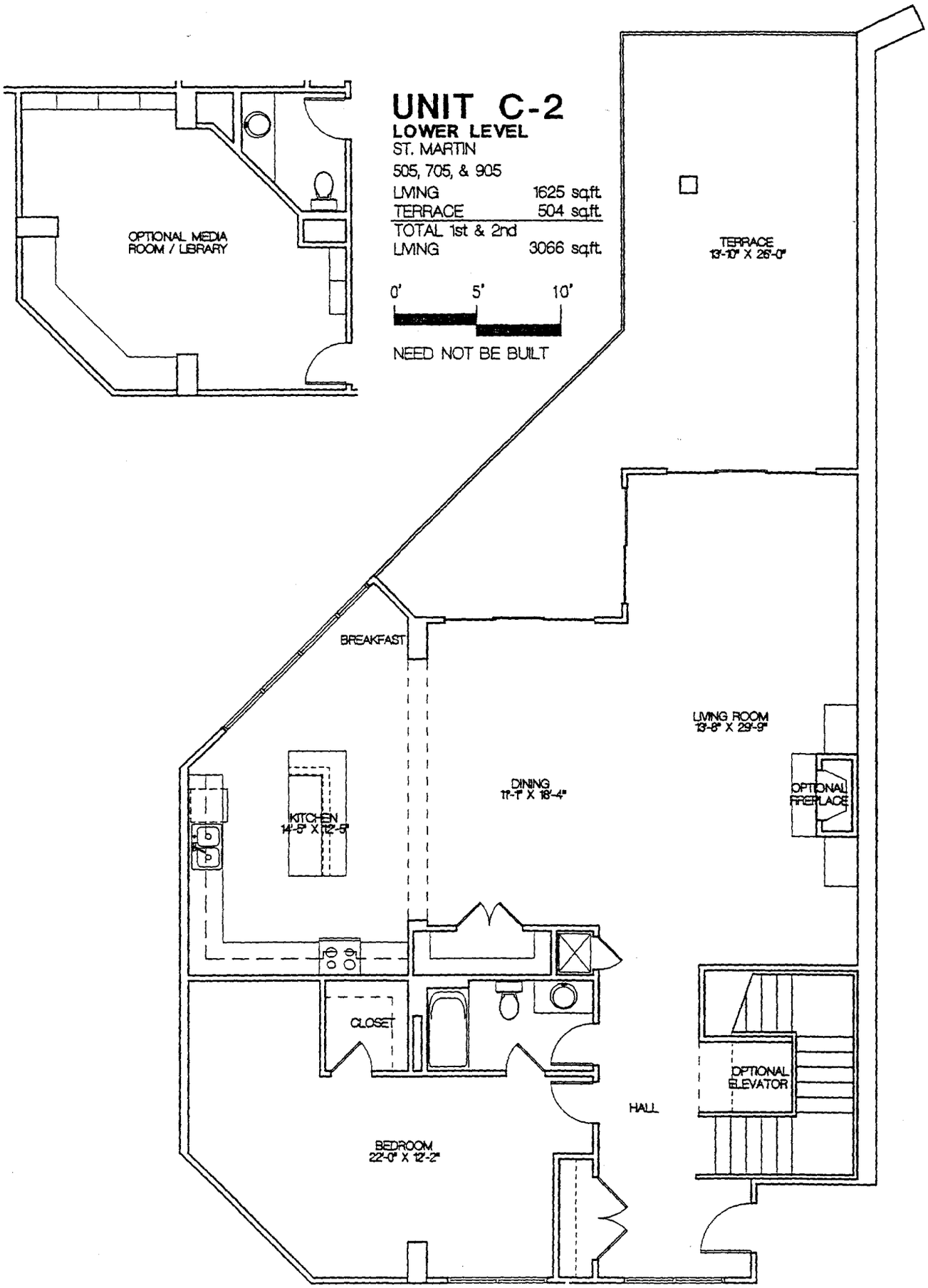
ST. MARTIN

505, 705, & 905

LIVING	1625 sq.ft.
TERRACE	504 sq.ft.
TOTAL 1st & 2nd LIVING	3066 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



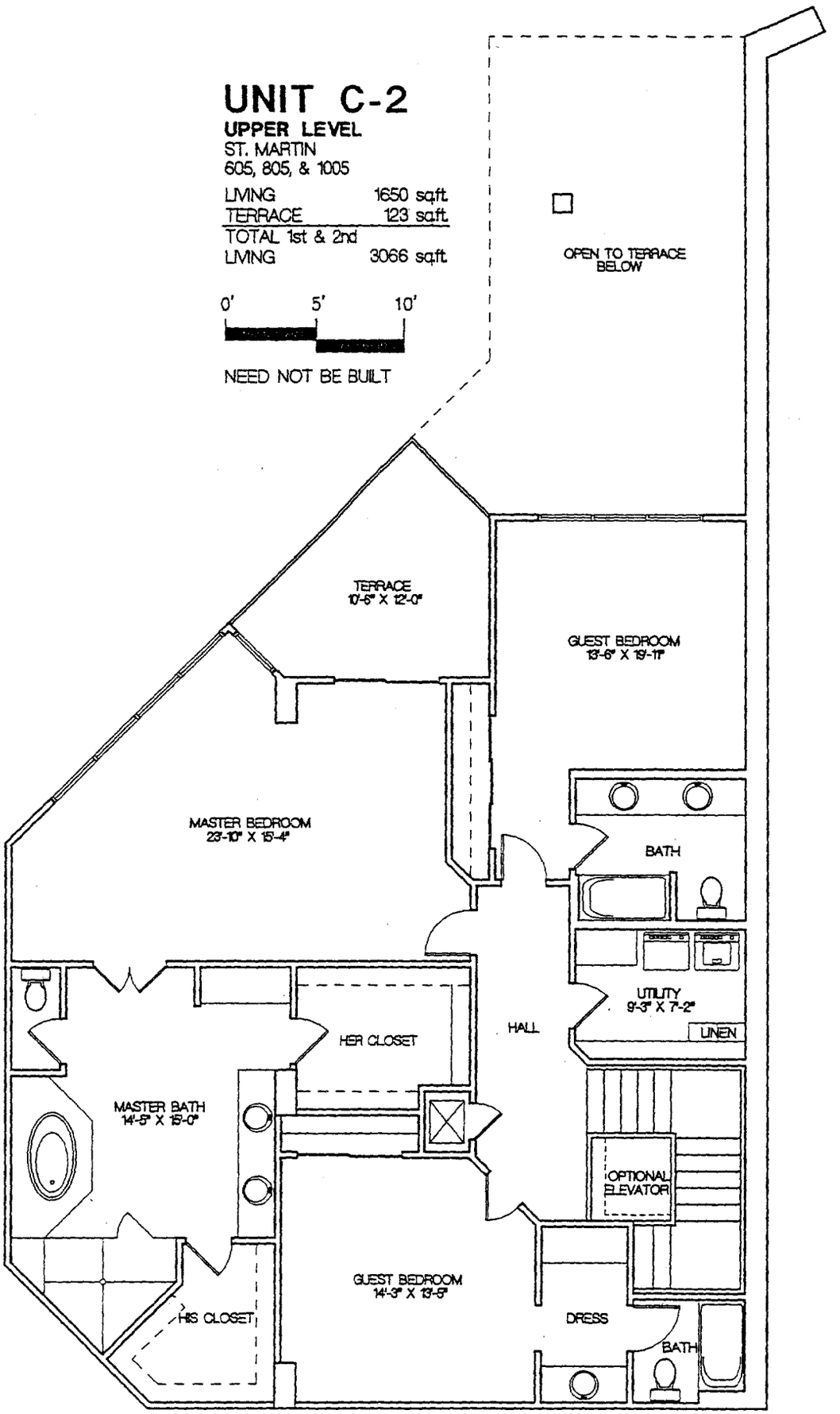
UNIT C-2

UPPER LEVEL
ST. MARTIN
605, 805, & 1005

LIVING	1650 sq.ft.
TERRACE	123 sq.ft.
TOTAL 1st & 2nd LIVING	3066 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT C-3

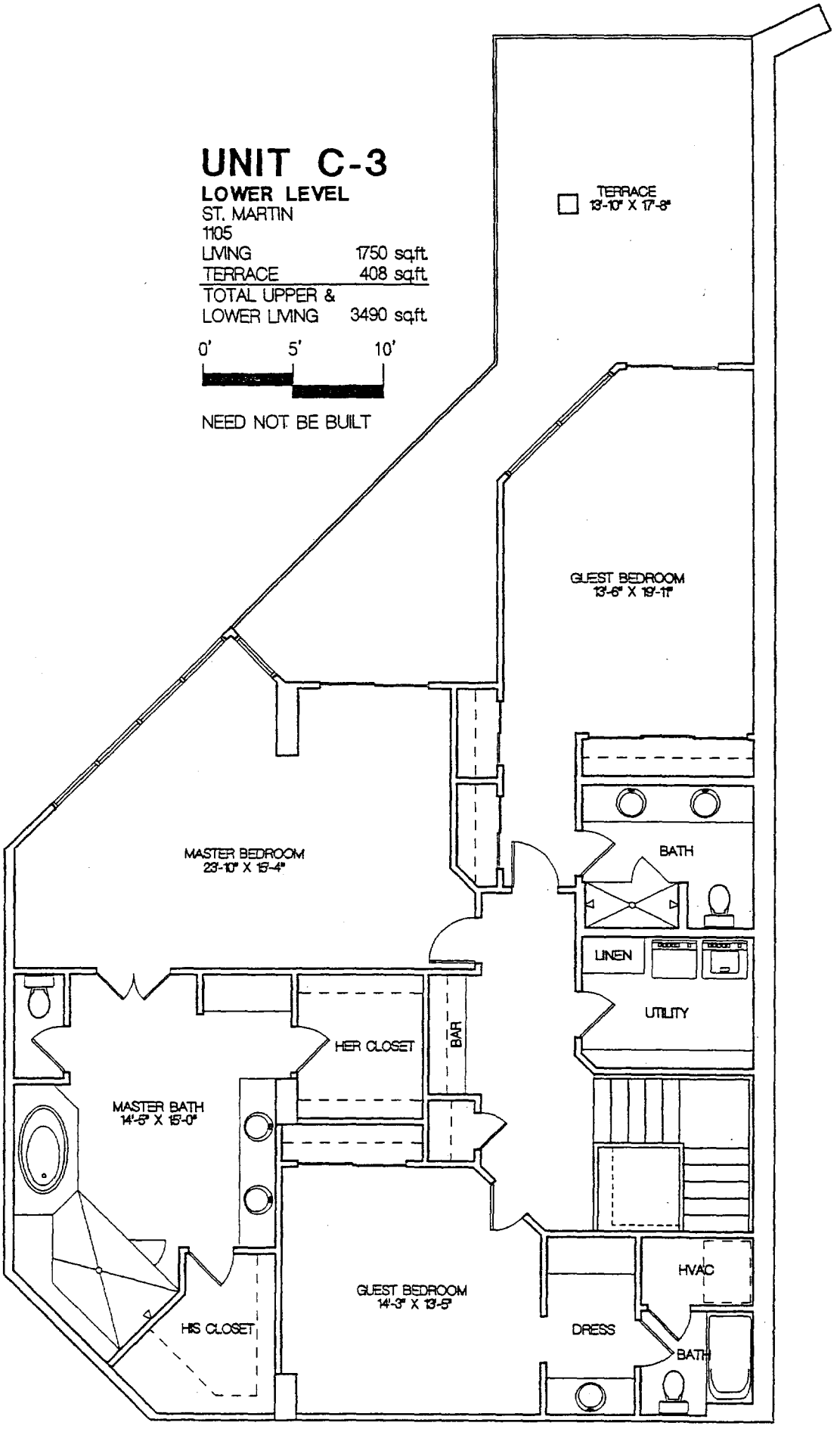
LOWER LEVEL

ST. MARTIN
1105

LIVING	1750 sq.ft.
TERRACE	408 sq.ft.
TOTAL UPPER & LOWER LIVING	3490 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT C-3

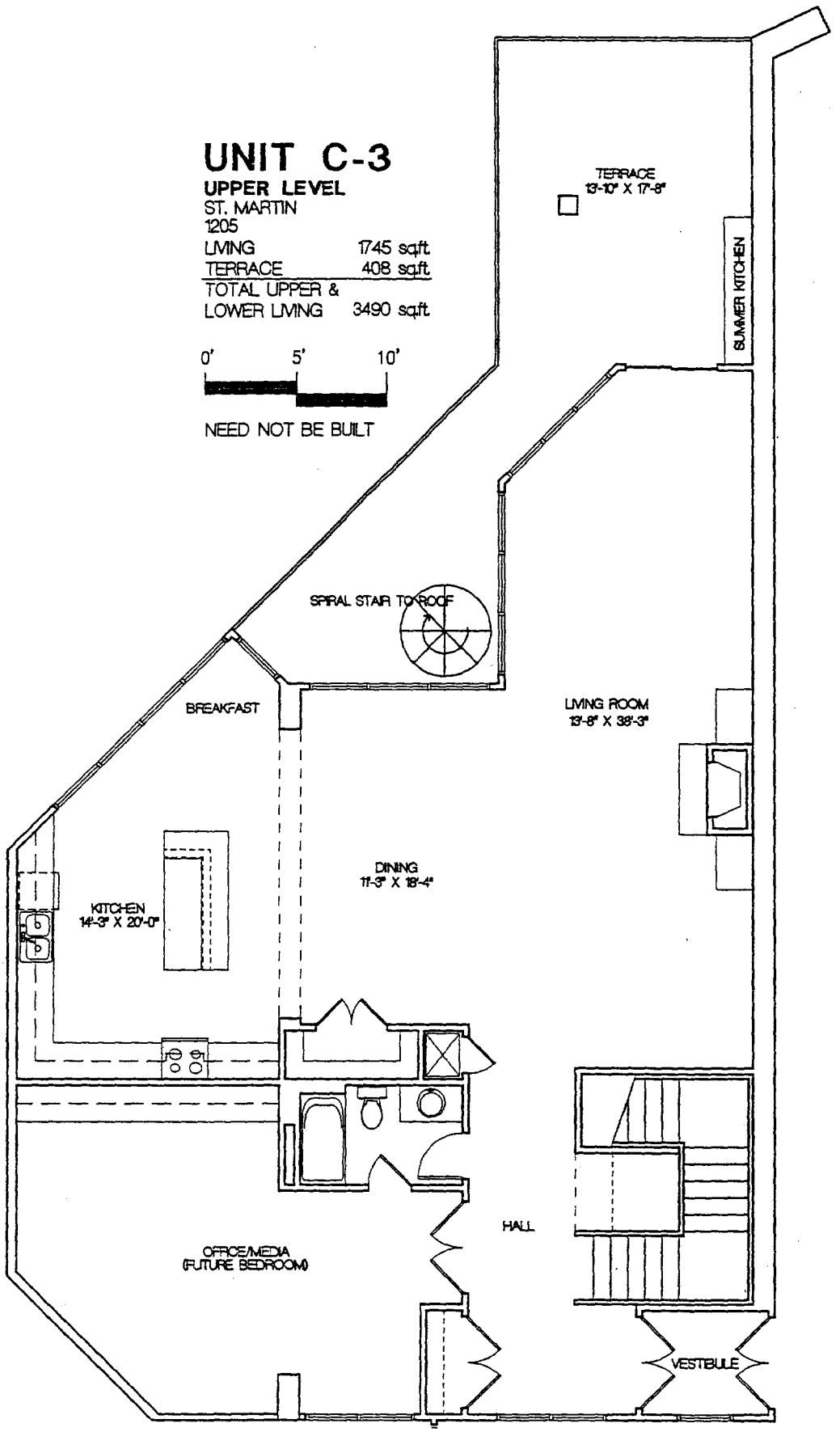
UPPER LEVEL

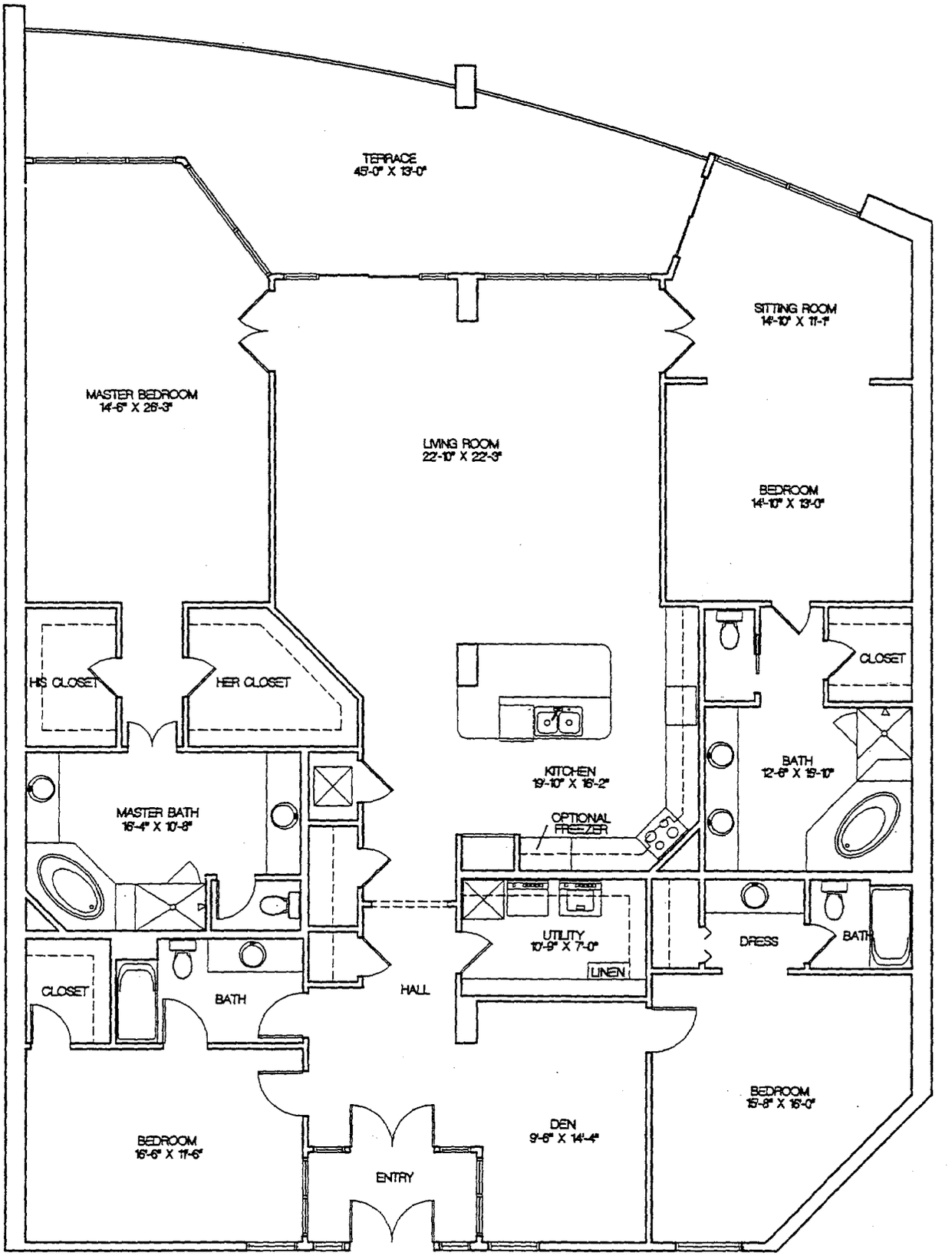
ST. MARTIN
1205

LIVING	1745 sq.ft.
TERRACE	408 sq.ft.
TOTAL UPPER & LOWER LIVING	3490 sq.ft.

0' 5' 10'

NEED NOT BE BUILT





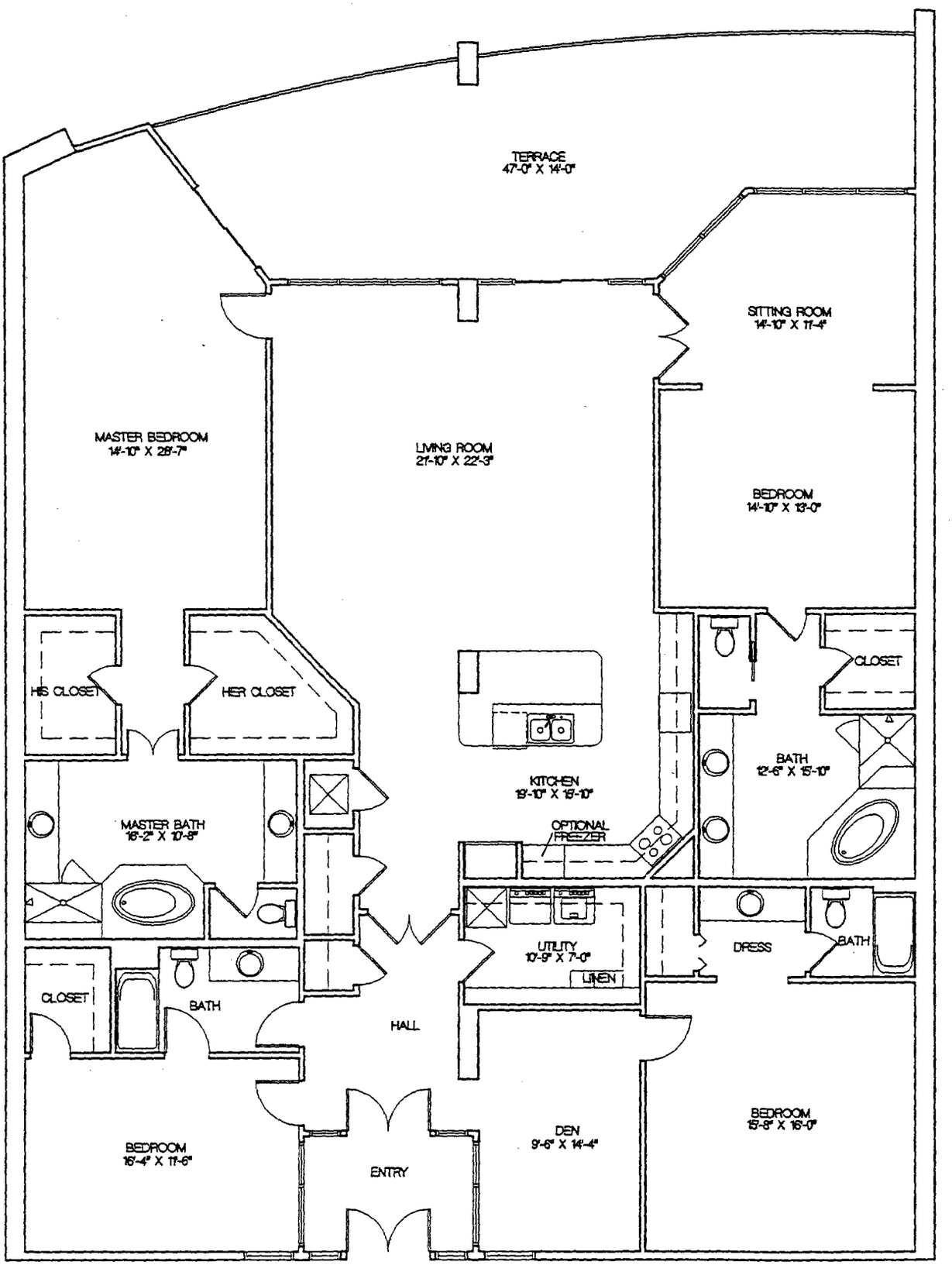
NIT F-1

. KITTS
02, 1202

NG	3091 sq.ft.
TRY TERRACE	54 sq.ft.
RRACE	380 sq.ft.

5' 10'

ED NOT BE BUILT



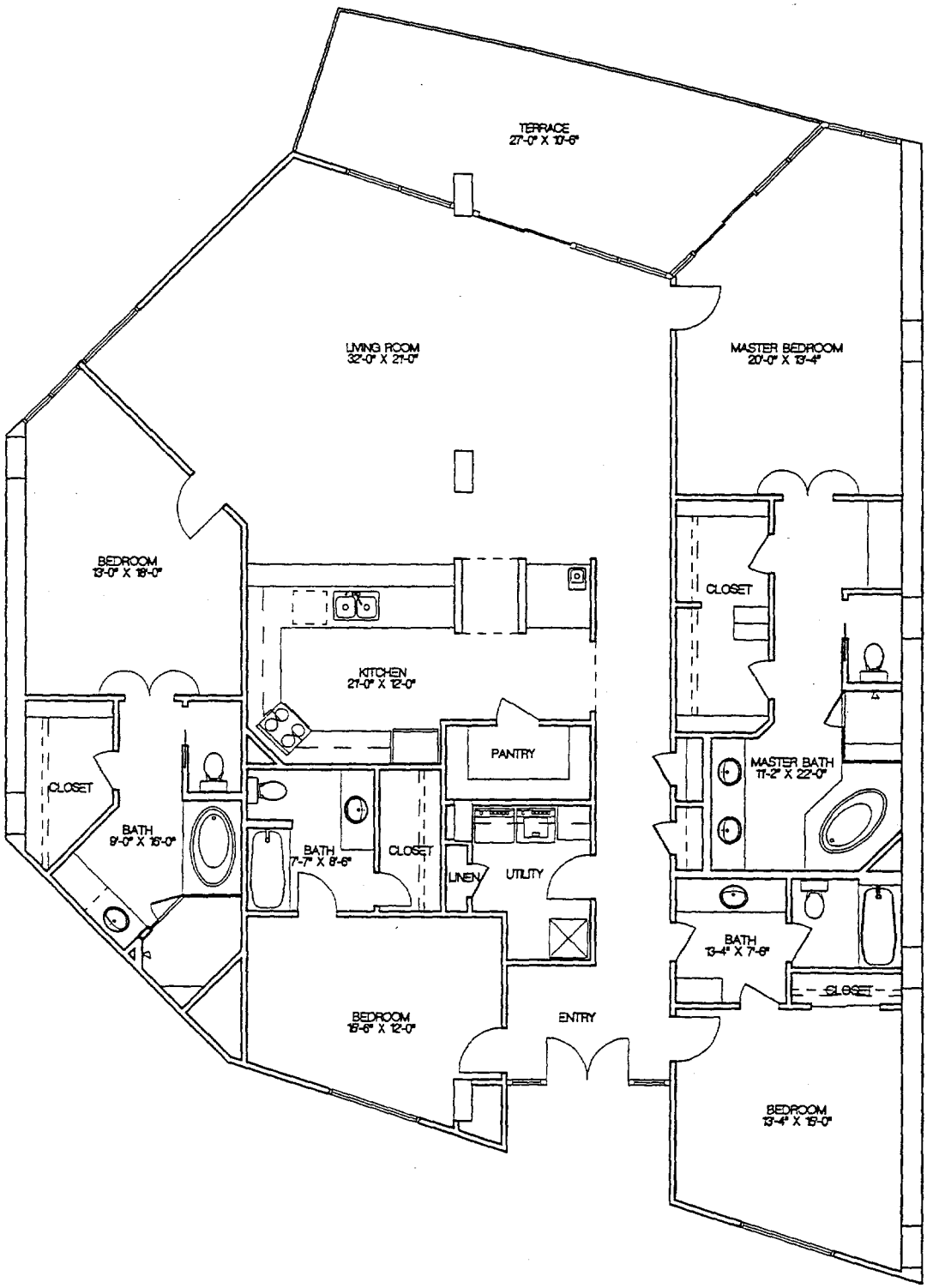
JNIT F-2

:T. KITTS
'03, 1203

/ING	3124 sq.ft.
NTRY TERRACE	70 sq.ft.
ERRACE	484 sq.ft.

5' 10'

EED NOT BE BUILT



UNIT B

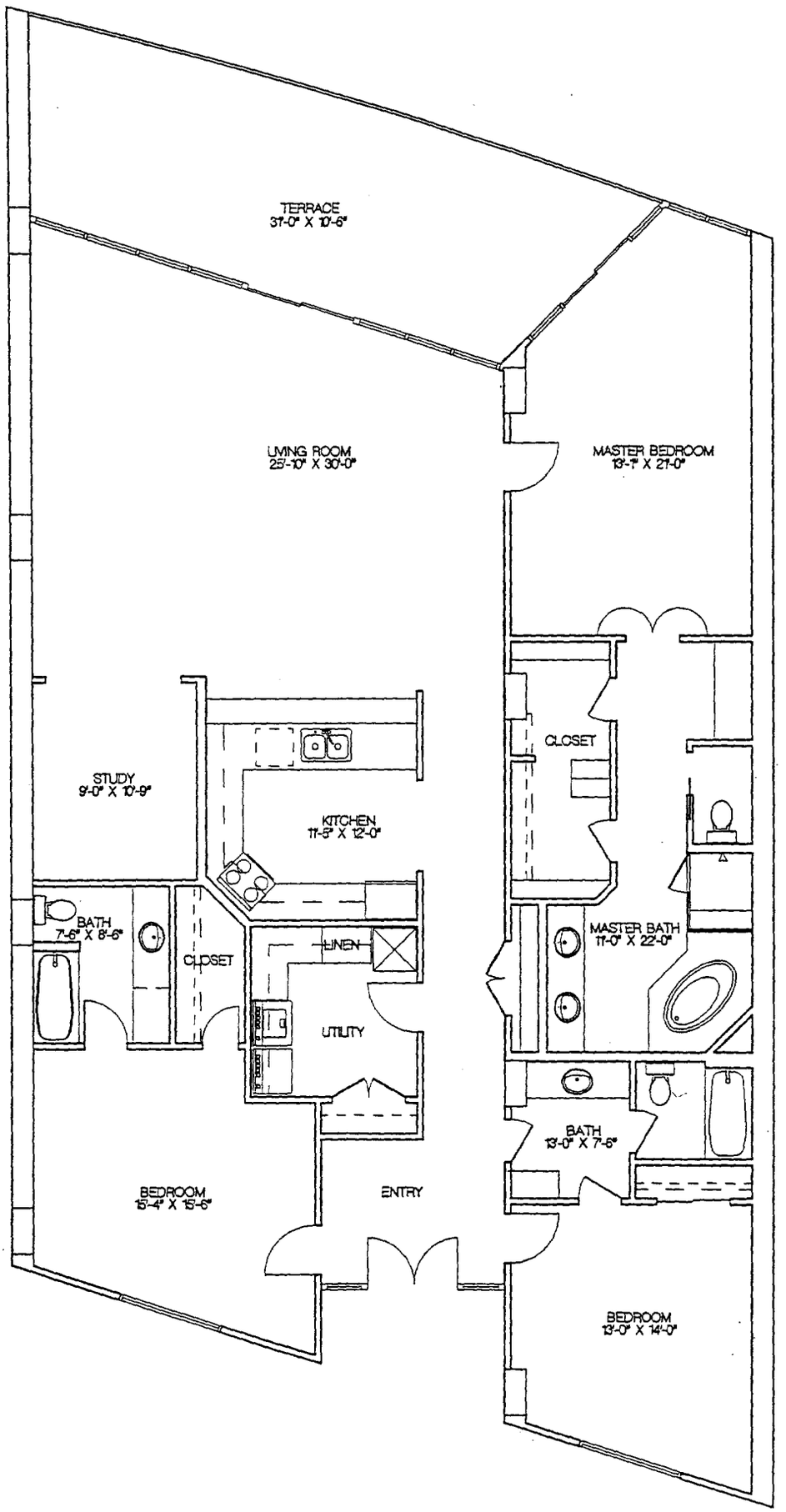
ABACO

106, 206, 306, 406, 506, 606, 706, 806

LIVING	2760 sqft
TERRACE	274 sqft

0' 5' 10'

NEED NOT BE BUILT



UNIT E-3

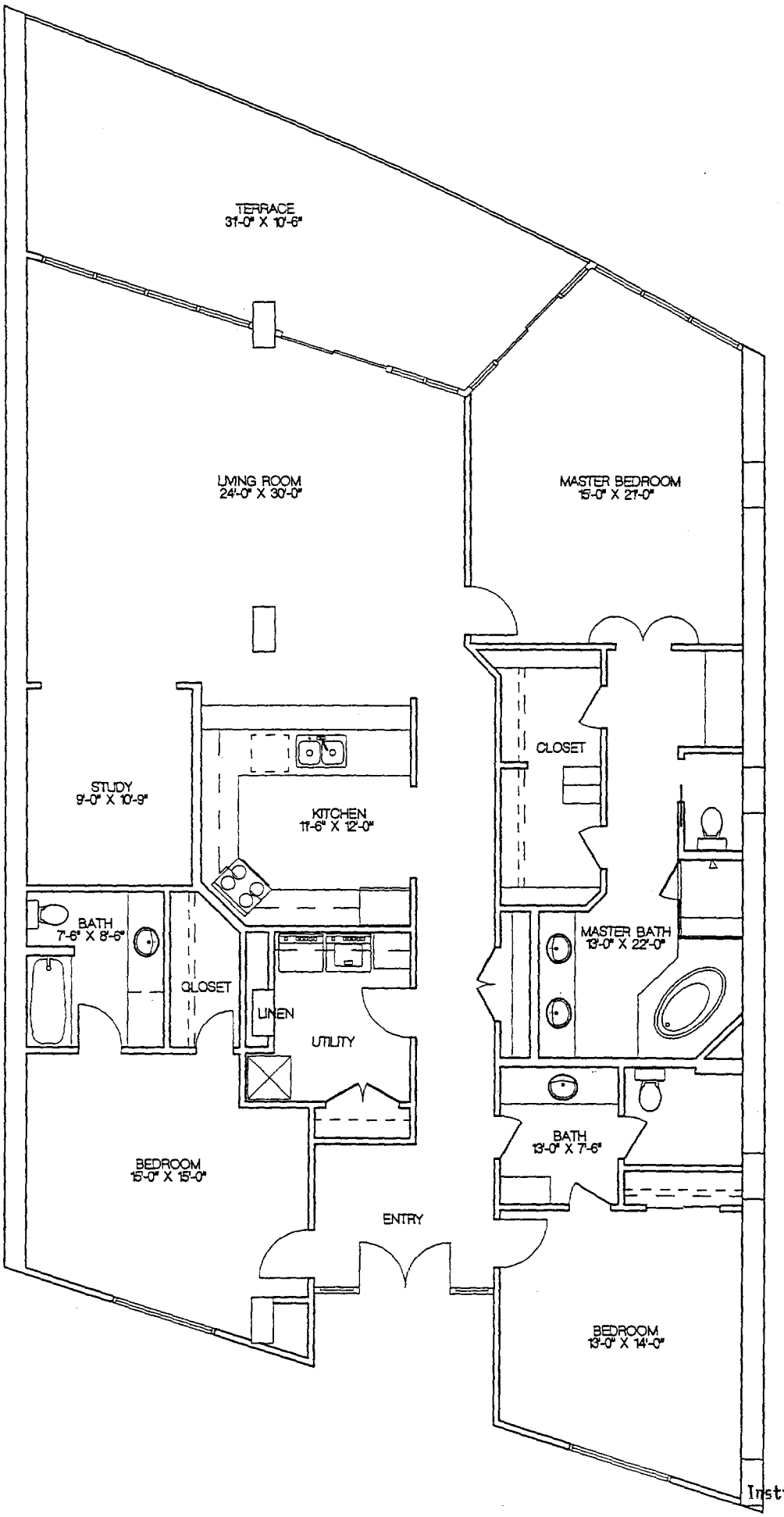
BISCAYNE

107, 207, 307, 407, 507, 607, 707, 807

LIVING	2284 sq.ft.
TERRACE	346 sq.ft.

0' 5' 10'

NEED NOT BE BUILT



UNIT E-4

BISCAYNE

108, 208, 308, 408, 508, 608, 708, 808

LIVING	2228 sq.ft.
TERRACE	317 sq.ft.

0' 5' 10'

Instrument 806025 Page 91 of 253

NEED NOT BE BUILT

Exhibit F [Rules and Regulations]

Instrument 806023 Page192of253

RULES AND REGULATIONS
OF BAYSHORE TOWERS, A CONDOMINIUM

RULES

The following rules are hereby adopted by Bayshore Towers, A Condominium, Association (the "Association"):

1. The amenities and facilities of Bayshore Towers, A Condominium (the "Condominium") are for the use of unit owners and their guests. The Board of Directors of the Association shall have the right to limit the number of guests and invitees who may use the Common Areas.

2. Designated walkways and paved areas shall be exclusively used. This rule is to prevent accidents and to preserve the appearance of landscaping. No motorized vehicle shall be allowed on walkways or other areas except upon areas designated for such vehicular use.

3. No article shall be hung or shaken from the doors, windows, balconies, or placed upon the window sills or balconies of the units. Under no circumstances shall laundry or other articles be placed or hung on the exterior portions of any unit. No materials or other items affecting the exterior appearance of a Unit or Limited Common Areas shall be installed, within or without a unit, without the prior written consent of the Board of Directors.

4. No owner or guest shall make or permit noises that will disturb or annoy the occupants of other units in the Condominium, nor do or permit any act which will interfere with the rights or comfort of others.

5. Each owner shall keep his/her unit in a state of preservation and cleanliness, and shall not sweep or throw from the doors, window, or balconies any dirt or other substance. All refuse shall be deposited in containers intended for such purpose. No trash shall be burned, and all disposals shall be in accordance with the rules and regulations promulgated and in force by the Board of Directors of the Association as posted. Unit owners shall be responsible for removal of their pet's feces from Common Areas/Limited Common Elements, and Private Elements.

6. Any damage resulting from misuse of water closets or other apparatus in the units shall be repaired and paid for by the owner of such unit.

7. A unit owner may identify such owners's unit only with a plate mounted in a location and in a manner and of a type and size approved by the Association. No other sign, advertisement, or other lettering shall be exhibited on any part of the outside of a building or otherwise displayed, without the prior written consent of the Association, except signs used by the Developer for the sale of units.

8. No unit owner may alter or repair the common elements. No work of any kind shall be done upon or affecting exterior walls or interior boundary walls without first obtaining the approval required by the Declaration.

9. No antenna or satellite dish shall be attached to the exterior of any building without the prior written approval of the Board of Directors of the Association.

10. The Association or its agents shall have the right of access to any unit at any reasonable time for the purpose of making inspections, repairs, replacements, or improvements, or to remedy any condition which could result in damage to the building, or for any purpose permitted under the Declaration or the By-Laws of the Association. Except in case of emergency, entry shall be by prearrangement with the owner.

11. No one shall use or permit to be brought into any unit or upon any of the common areas any inflammable oils or fluids or other explosives or articles deemed hazardous to life or property.

PARKING

12. The sidewalks, driveways and parking areas must not be obstructed or encumbered or used for any purpose other than the purpose for which they were intended. The Board of Directors may restrict access to parking spaces to vehicles without such vehicle bearing a pass or decal issued by the Association, and may from time to time adopt and enforce other regulations with respect to parking. No parking space or other area shall be used for the storage or parking of any boat, boat trailer, house trailer, camper trailer or any other towed vehicle or object. The parking regulations shall be posted in the parking areas. The Board of Directors of the Association shall have the right to have any unauthorized vehicle or object parked in violation of the parking rules towed at the sole expense of the owner. Washing of cars, boats, and vehicles on the condominium premises of any kind is prohibited.

Reserved parking spaces are to be used only by the Unit Owner or their guests to which they are assigned. Reserved parking spaces may be transferred from one Unit Owner to another Unit Owner whether or not in connection with the sale of a Unit upon approval of the Association, which shall not be unreasonably withheld, and payment of such fee as may be established by the Board of Directors as an access fee. A Unit Owner to whom a reserved parking space has been assigned shall have no further rights with respect to such parking space after a sale or transfer of such Unit, and unless transferred to the purchaser of such Unit or to another Unit Owner as provided above, the right to assign such reserved parking space shall revert to the Association.

SWIMMING POOL(S)

13. Anyone using the swimming pool(s) do so at their own risk. The Association is not responsible for any accident or injury in connection with use of the pool(s) or for any loss or damage

to personal property. Persons using the pool area agree to hold harmless and indemnify the Association and all Unit Owners from any and all injury or damage resulting from use or action in the pool area.

14. It is the Owner's, parent's, or guardian's sole responsibility to determine whether a family member, guest or resident under the age of eight may swim unaccompanied. The Owner, parent or guardian of any child, irrespective of the age of such child, accepts sole responsibility for any guest, family member, or ward who is injured, maimed, or killed while using the Association's pool and/or its facilities.

15. Residents are responsible for the conduct of their guests at all times.

16. No boisterous or rough play is permitted in the pools, or in the pool areas.

17. Glassware is not permitted in the pool areas.

18. The pools shall be used in accordance with the rules from time to time promulgated by the Board of Directors of the Association, which rules shall be posted.

19. Use of the pool(s) is reserved for Owners, their guests, invitees, and/or family members only.

MARINA

20. Anyone using the marina does so at their own risk. The Association is not responsible for any accident or injury in connection with the use of the marina or for any loss or damage to personal property. Persons using the marina hold harmless and indemnify the Association and all Unit Owners from any and all injury or damage resulting from use or action in the marina area.

21. Residents are responsible for the conduct of their guests.

22. The marina shall be used in accordance with the rules and regulations promulgated by the Board of Directors of the Association, which rules shall be posted by the Board of Directors of the Association.

23. Alterations to marina slips are subject to the provisions of the Declaration. The prior written consent of the Association shall be obtained before any changes are effectuated.

FITNESS ROOM

24. Anyone using the fitness room does so at their own risk. The Association is not responsible for any accident, injury, or loss in connection with the use of the fitness room. Persons using the fitness room agree to hold harmless and indemnify the Association and all Unit Owners from any and all injury or damage resulting from use or action in the fitness room area.

25. No person who is not an Owner, guest, invitee, or family member of a Unit Owner shall use the fitness room.

26. No boisterous or rough play shall be permitted in the fitness room.

27. Glassware is not permitted in the fitness room.

28. The fitness room will be closed from 11 p.m. to 8 a.m. and during such other times as may be decided by the Board of Directors of the Association.

PETS

29. Pets shall not be allowed in the pool areas, except persons who have seeing eye dogs or other persons who are handicapped and require the assistance of a dog. Owners of pets allowed in the pool area shall remove feces of their animal upon departure from the pool area.

30. Pets shall only be walked in grass and only when on a leash.

31. Loud barking or other loud noises made by pets in units is prohibited.

TENNIS COURTS

32. Anyone using the tennis courts do so at their own risk. The Association is not responsible for any accident or injury in connection with use of the tennis courts or for any loss or damage to personal property. Persons using the tennis courts area agree to hold harmless and indemnify the Association and all Unit Owners from any and all injury or damage resulting from use or action in the tennis court area.

33. It is the sole responsibility of the Owner, guest or invitee to supervise persons twelve (12) years of age or under.

34. Residents are responsible for the conduct of their guests at all times.

35. No boisterous or rough play is permitted in the tennis court areas.

36. Glassware is not permitted in the tennis court areas.

37. The tennis courts shall be used in accordance with the rules from time to time promulgated by the Board of Directors of the Association, which rules shall be posted.

RENTALS

38. Unit owners may rent or lease their Units, upon prior notice to the Association of such lease or rental for a period not less than sixty (60) days. Lessees of Units shall be subject to all of the Rules and Regulations. The Unit Owner shall not be relieved of any obligations to the

Association by virtue of the lease of a Unit. The Board of Directors reserves the right to promulgate other and/or additional rules and regulations with respect to rentals.

CONSENT OF MORTGAGEE

THIS DECLARATION OF CONDOMINIUM OF BAYSHORE TOWERS, A CONDOMINIUM, IS CONSENTED TO AND ACKNOWLEDGED BY _____ BANK, A NATIONAL BANKING ASSOCIATION, AS MORTGAGEE.

_____BANK

By: _____
Its: _____

STATE OF ALABAMA
COUNTY OF _____

STATE OF ALABAMA
BALDWIN COUNTY

I, the undersigned notary public in and for said county and state, hereby certify that _____, whose name as _____ of the _____ is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that being informed of the contents of the said conveyance, he/she, 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 official seal on this _____ day of _____, 2001.

_____
NOTARY PUBLIC
(Seal) My Commission Expires:_____

Exhibit G [Easements and restrictions affecting condominium property]

Instrument 806023 Page198of253

Commitment No. SLT - **124671**

SURETY LAND TITLE, INC.
COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

1. Effective Date: **March 20, 2003, 8:00 am**
Issue Date: **April 25, 2003, 8:00 am**

2. Policy or Policies to be issued: POLICY AMOUNT

(a) ALTA OWNER'S POLICY **$24,750,000.00**
Proposed Insured: **Bayshore Towers, L.L.C., a Louisiana Limited Liability Company**

(b) ALTA LOAN POLICY **$24,750,000.00**
Proposed Insured: **Hibernia National Bank , its respective successors and assigns, as their interest may appear.**

3. The estate or interest in the land described or referred to in the Commitment and covered herein is Fee Simple.

4. Title to the Fee Simple estate or interest in said land is at the effective date hereof vested in:

Bayshore Towers, L.L.C., a Louisiana Limited Liability Company

5. The land referred to in this Commitment is described as follows:

That real property situated in the County of Baldwin, State of Alabama, described as follows, to-wit:

Parcel A:
A certain tract or parcel of land being Lots 45 thru 52, two unnamed 12' alleys and a Unnamed 40 foot right of way, being a portion of Burkart Property Subdivision, located in Section 12, Township 9 South, Range 5 East, City of Orange Beach, Baldwin County, Alabama, and being more particularly described as follows:

Commencing at a point formed by the intersection of the Southerly right of way line of Alabama Highway 180 (Canal Road) and the Westerly right of way line of Holder Drive, thence proceed South 76 degrees, 10 minutes, 06 seconds West, a distance of 89.10 feet to a point; thence proceed South 78 degrees, 02 minutes, 41 seconds West, a distance of 92.97 feet to a point; thence proceed South 79 degrees, 40 minutes, 46 seconds West, a distance of 90.68 feet to the

point of beginning. Thence proceed South 00 degrees, 00 minutes, 16 seconds West, a distance of 1258.14 feet to a point; thence proceed North 86 degrees, 34 minutes, 02 seconds West, a distance of 206.19 feet to a point; thence proceed North 00 degrees, 27 minutes, 29 seconds East, a distance of 1220.07 feet to a point; thence proceed North 84 degrees, 08 minutes, 03 seconds East, a distance of 17.58 feet to a point; thence proceed along the arc of a curve to the left, having a delta angle of 03 degrees, 32 minutes, 35 seconds, a radius of 2915.88 feet, a length of 180.31 feet, a chord bearing of North 82 degrees, 21 minutes, 46 seconds East, and a chord distance of 180.28 feet to the point of beginning.

Parcel B:
Together with a riparian easement on and over a parcel of state owned submerged land in Section 12, Township 9 South, Range 5 East, Baldwin County, Alabama as set out on Exhibit "A", a drawing by Evans-Graves Engineers, Inc. undated, shown by riparian easement of state owned submerged lands recorded in Instrument 721722.

Transnation Title Insurance Company **Surety Land Title, Inc.**

By:_____ Countersigned at Mobile
Authorized Officer or Agent Commitment No. SLT - 124671

This commitment is invalid unless the insuring Provisions and Schedules A and B are attached.

Commitment No. SLT - **124671**

SURETY LAND TITLE, INC.
COMMITMENT FOR TITLE INSURANCE

SCHEDULE B - SECTION 1
REQUIREMENTS

The following are the requirements to be complied with:

Instrument creating the estate of interest to be insured must be executed and filed for record, to-wit:

1. **The Instruments to be insured are those deeds executed by Glenn L. Baumann, et al to BayShore Towers, L.L.C. dated March 13, 2000 and recorded in Instrument Numbers 538042; 538043 and 538044**
   Together with:
   A riparian easement on and over a parcel of state owned submerged land in Section 12, Township 9 South, Range 5 East, Baldwin County, Alabama as set out on Exhibit "A", a drawing by Evans-Graves Engineers, Inc. undated, shown by riparian easement of state owned submerged lands recorded in Instrument 721722.

2. **Pay the full consideration to, or for the account of, the grantors or mortgagors.**

3. **Satisfactory evidence that contractor, sub-contractor, labor and materialmen are all paid; and have released of record all liens or notice of intent to perfect a lien for labor or material.**

4. **Delivery of Mortgage executed by , as the duly authorized manager or members of Bayshore Towers, L.L.C., a Louisiana Limited Liability Company, conveying the property described in Schedule "A" to the mortgagee.**

5. **We should be furnished, for our files, a certified copy of the operating agreement of Bayshore Towers, L.L.C., a Louisiana Limited Liability Company and any amendments to same as of closing date.**

6. **We will require a letter from the City of Orange Beach stating that there are no outstanding municipal assessments due against subject property.**

Commitment No. SLT - **124671**

SURETY LAND TITLE, INC.
COMMITMENT FOR TITLE INSURANCE

SCHEDULE B - SECTION 2
EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. **Ad Valorem Taxes for the year 2003, which said taxes are not due and payable until October 1, 2003.**

3. **30 foot building setback line as shown on survey by Evans-Graves Engineers, Inc. dated March 25, 2003.**

4. **15 foot utility corridor and easement as shown on survey by Evans-Graves Engineers, Inc. dated March 25, 2003.**

5. **The company does not insure title to any submerged, filled or accreted lands.**

6. **Subdivision Regulations of the City of Orange Beach, Alabama as recorded in Instrument 520694.**

7. **This binder does not attempt to set out the manner in which the minerals are now vested and does not insure any minerals, nor any rights on or easements in connection therewith, as to the owner's policy only.**
Affirmative coverage is given to the mortgagee insuring against any loss or damage due to the exercise of such rights or due to surface damage or resulting from exercise of such rights.

8. **Rights of the United States, State of Alabama, or other parties in and to the bed, shore and waters of Terry Cove, Bay Ornocor, Gulf of Mexico or Old River The policy to be issued pursuant hereto will insure only such riparian and littoral rights as legally accrue by reason of ownership in fee simple of property adjoining.**

9. **Rights, if any, of the public to use as a public beach or recreation area any part of the herein described land lying between the body of water abutting said land and the natural line of**

vegetation, dunes, extreme high water line or other apparent boundary lines separating the publicly used area from the upland private area.

10. Unfiled mechanics or materialmens liens, affirmative coverage to be given upon completion of underwriting requirements being met.

11. All terms and conditions of that certain riparian easement of state owned submerged lands executed by the State of Alabama, Department of Conservation and Natural Resources to Bayshore Towers Partnership and assigned to Bayshore Towers, LLC dated May 14, 2001 and recorded in Instrument 721722 and Instrument 805543 and the amended riparian easement recorded in Instrument 805551, easement is subject to rights of the United States to said navigable waters.

12. Rights of the United States Government with respect to control over navigable waters or lands which formerly constituted navigable waters, for purposes of navigation and commerce.

13. Subject to the subdivision regulations as recorded in Misc. Book 71, page 829, et seq. Misc. Book 84, page 768 et seq. Misc. Book 90, page 92 et seq. Misc. Book 92, page 1288 et seq. Misc. Book 93, page 132 et seq. and Misc. Book 96, page 875 et seq. Misc. Book 97, page 639 se seq. and Instrument 47455 and the zoning ordinances of the City of Orange Beach, Alabama.

14. The rights of the United States of America, State of Alabama or the general public, if any, to use any part of the land lying between the body of water of the Gulf of Mexico or Old River and the boundary line of the property described above as granted by Federal or State Law. The rights of the public, if any, to the bottoms of any navigable water adjacent to said property.

15. Any adverse claim arising by reason of rules or regulations being imposed upon the property described above by any environmental agency of the State of Alabama or of the United States of America.

16. Subject to any adverse claim based upon the assertion that some portion of the property described above is located below high mean tide or has been created by accretion or reliction.

17. Any adverse claim based upon the assertion that some portion of the land described above is tide or submerged land, or has been created by artificial means or has accreted to such portion so created.

18. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney and limitations on title created by the Alabama Condominium Ownership Act, Section 35-8-1, et seq. Code of Alabama, 1975 as set forth in the Declaration of Condominium, Articles of Incorporation of Bayshore Towers Owner's Association, Inc. in the by-laws of Bayshore Towers Owner's Association, Inc. (recording information in legal

description) in any instrument creating the estate of interest insured by the commitment and in any allied instrument referred to in any of the instruments aforesaid.

STATE OF ALABAMA

COUNTY OF BALDWIN

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: That GLENN L. BAUMANN and EDNA R. BAUMANN, husband and wife, hereinafter referred to as Grantors, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration this day cash in hand paid to them by BAYSHORE TOWERS, L.L.C., a Louisiana limited liability company, hereinafter referred to as Grantee, receipt of which is hereby acknowledged, have granted, bargained, sold and conveyed and by these presents do hereby GRANT, BARGAIN, SELL and CONVEY unto the Grantee, subject to any matters set out below, the following described real estate situated in Baldwin County, Alabama, viz:

Lots 48 and 49 of the Burkart Property Subdivision recorded in Map Book One, Page 145 in the Office of the Judge of Probate of Baldwin County, Alabama.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Rights of the United States of America, State of Alabama or other parties in and to the bed, shore and water of Terry Cove and/or Bay Ornocor.

2. Rights, if any, of the public to use as a public beach or recreation area any part of the herein described land lying between the body of water abutting said land and the natural line of vegetation, dunes, extreme high water line or other apparent boundary lines separating the publicly used area from the upland private area.

3. Subdivision regulations of the City of Orange Beach, Alabama as recorded at Instrument 520694.

Together with, all and singular, the rights, benefits, privileges, improvements, tenements, hereditaments and appurtenances unto the same belonging or in any wise appertaining.

TO HAVE AND TO HOLD unto the said Grantee, its successors and assigns, FOREVER.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals on this the 13th day of March, 2000.

Glenn L. Baumann (SEAL)
GLENN L. BAUMANN

Edna R. Baumann (SEAL)
EDNA R. BAUMANN

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

2000 March -21 3: PM

Instrument Number 538042 Pages 2
Recording 5.00 Mortgage
Deed 1585.00 Min Tax
Index DP 1.00
Archive
Adrian T. Johns, Judge of Probate

STATE OF ALABAMA

COUNTY OF BALDWIN

I, Pamela Kaye Ramos, a Notary Public in and for said County in said State, hereby certify that GLENN L. BAUMANN and EDNA R. BAUMANN, husband and wife, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily on the date the same bears date.

Given under my hand and seal this the 13th day of March, 2000.

Pamela Kaye Ramos

Notary Public, Baldwin County, Alabama
My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Aug. 22, 2001.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

GRANTORS' ADDRESS:

4721 Holder Drive
Orange Beach, Alabama 36561

GRANTEE'S ADDRESS:

9800 Airline Highway, Suite 200
Baton Rouge, Louisiana 70816

This instrument prepared by:

DANIEL G. BLACKBURN, P.C.
Post Office Box 458
Bay Minette, Alabama 36507

C:\WP51\DOCS\DEEDS\BAUMANN2.SWD (SW)

STATE OF ALABAMA

Mortgage Recorded Simultaneously

COUNTY OF BALDWIN

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That GLENN L. BAUMANN and EDNA R. BAUMANN, husband and wife, hereinafter referred to as Grantors, for and in consideration of the sum of One Dollar ($1.00) this day cash in hand paid to Grantors by BAYSHORE TOWERS, L.L.C., a Louisiana limited liability company, hereinafter referred to as Grantee, have and by these presents do hereby REMISE, RELEASE, QUITCLAIM and CONVEY unto the Grantee all of their right, title and interest in and to the following described real property situated in Baldwin County, Alabama, to-wit:

> That portion of the unnamed forty (40) foot right of way lying between Lots 46 and 47 and between Lots 51 and 50 in Burkart Property Subdivision recorded in Map Book One, Page 145 in the Office of the Judge of Probate of Baldwin County, Alabama.
>
> That portion of unnamed twelve (12) foot alley lying between Lots 45 and 46 and between Lots 51 and 52 in Burkart Property Subdivision recorded in Map Book One, Page 145 in the Office of the Judge of Probate of Baldwin County, Alabama.
>
> That portion of the unnamed twelve (12) foot alley lying between Lots 47 and 48 and between Lots 49 and 50 in Burkart Property Subdivision recorded in Map Book One, Page 145 in the Office of the Judge of Probate of Baldwin County, Alabama.
>
> Together with, all and singular, the rights, benefits, privileges, improvements, tenements, hereditaments and appurtenances unto the same belonging or in any wise appertaining.

TO HAVE AND TO HOLD unto the said Grantee, its successors and assigns, FOREVER.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals on this the 13th day of March, 2000.

Glenn L. Baumann (SEAL)
GLENN L. BAUMANN

Edna R. Baumann (SEAL)
EDNA R. BAUMANN

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

2000 March -21 3: PM

Instrument Number 538044 Pages 2
Recording 5.00 Mortgage
Deed .50 Min Tax
Index DP 1.00
Archive
Adrian T. Johns, Judge of Probate

STATE OF ALABAMA

COUNTY OF BALDWIN

I, Pamela Kane Ramos, a Notary Public, in and for said County in said State, hereby certify that GLENN L. BAUMANN and EDNA R. BAUMANN, husband and wife, whose names are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal this 13th day of March, 2000.

Pamela Kane Ramos
Notary Public, Baldwin County, Alabama
My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Aug. 22, 2001.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

GRANTORS' ADDRESS:

4721 Holder Drive
Orange Beach, Alabama 36561

GRANTEE'S ADDRESS:

9800 Airline Highway, Suite 200
Baton Rouge, Louisiana 70816

This instrument prepared by:

DANIEL G. BLACKBURN, P.C.
Post Office Box 458
Bay Minette, Alabama 36507

C:\WP51\DOCS\DEEDS\BAUMANN.QCD (sw)

Instrument 53044 Page 2 of 2

Mortgage Recorded Simultaneously

STATE OF ALABAMA

COUNTY OF BALDWIN

STATUTORY WARRANTY DEED

State of Alabama, Baldwin County
I certify this instrument was filed
and the tax collected on:
2000 March -21 3: PM
Instrument Number 530043 Pages 2
Recording 1.00 Mortgage
Tax .30 Mtg Tax
Index BP 1.00
Archive
Arlin T. Johns, Judge of Probate

KNOW ALL MEN BY THESE PRESENTS: That GLENN L. BAUMANN, a married man, hereinafter referred to as Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration this day cash in hand paid to him by BAYSHORE TOWERS, L.L.C., a Louisiana limited liability company, hereinafter referred to as Grantee, receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY unto the Grantee, subject to any matters set out below, the following described real estate situated in Baldwin County, Alabama, viz:

Lots 45, 46, 47, 50, 51 and 52 of the Burkart Property Subdivision recorded in Map Book One, Page 145 in the Office of the Judge of Probate of Baldwin County, Alabama.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Subdivision regulations as set forth in instrument by the Orange Beach Planning Commission, recorded at instrument 520694.

Grantor covenants with and unto Grantee that no portion of the above-described property constitutes any part of said Grantor's homestead nor that of his spouse.

Together with, all and singular, the rights, benefits, privileges, improvements, tenements, hereditaments and appurtenances unto the same belonging or in any wise appertaining.

TO HAVE AND TO HOLD unto the said Grantee, its successors and assigns, FOREVER.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal on this the 13th day of March, 2000.

Glenn L. Baumann (SEAL)
GLENN L. BAUMANN

STATE OF ALABAMA

COUNTY OF BALDWIN

I, Pamela Kaye Raymond, a Notary Public in and for said County in said State, hereby certify that GLENN L. BAUMANN, a married man, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily on the date the same bears date.

Given under my hand and seal this the 13th day of March, 2000.

Pamela Kaye Raymond
Notary Public, Baldwin County, Alabama
My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE. MY COMMISSION EXPIRES: AUG. 22, 2001. BONDED THRU NOTARY PUBLIC UNDERWRITERS.

Exhibit H [Extent or amount of Ownership of Common Elements]

Instrument 806023 Page210of253

TOWER I		SQ/ FT PER UNIT	TOTAL SQ FT.	OWNERSHIP PER UNIT TYPE	OWNERSHIP FACTOR PER UNIT
10	A Units	1429	14290	0.012764285	0.001276429
12	D Units	1860	22320	0.016614115	0.00138451
10	E-1 Units	2257	22570	0.020160246	0.002016025
10	E-2 Units	2242	22420	0.020026261	0.002002626
2	F-1 Units	3091	6182	0.027609801	0.0138049
2	F-2 Units	3124	6248	0.027904567	0.013952284
3	C-1 Units	1745	5235	0.015586898	0.005195633
3	C-2 Story Units	3066	9198	0.027386493	0.009128831
1	C-3 Story Units	3490	3490	0.031173796	0.031173796
53			111953		

Instrument 886023 Page211of253

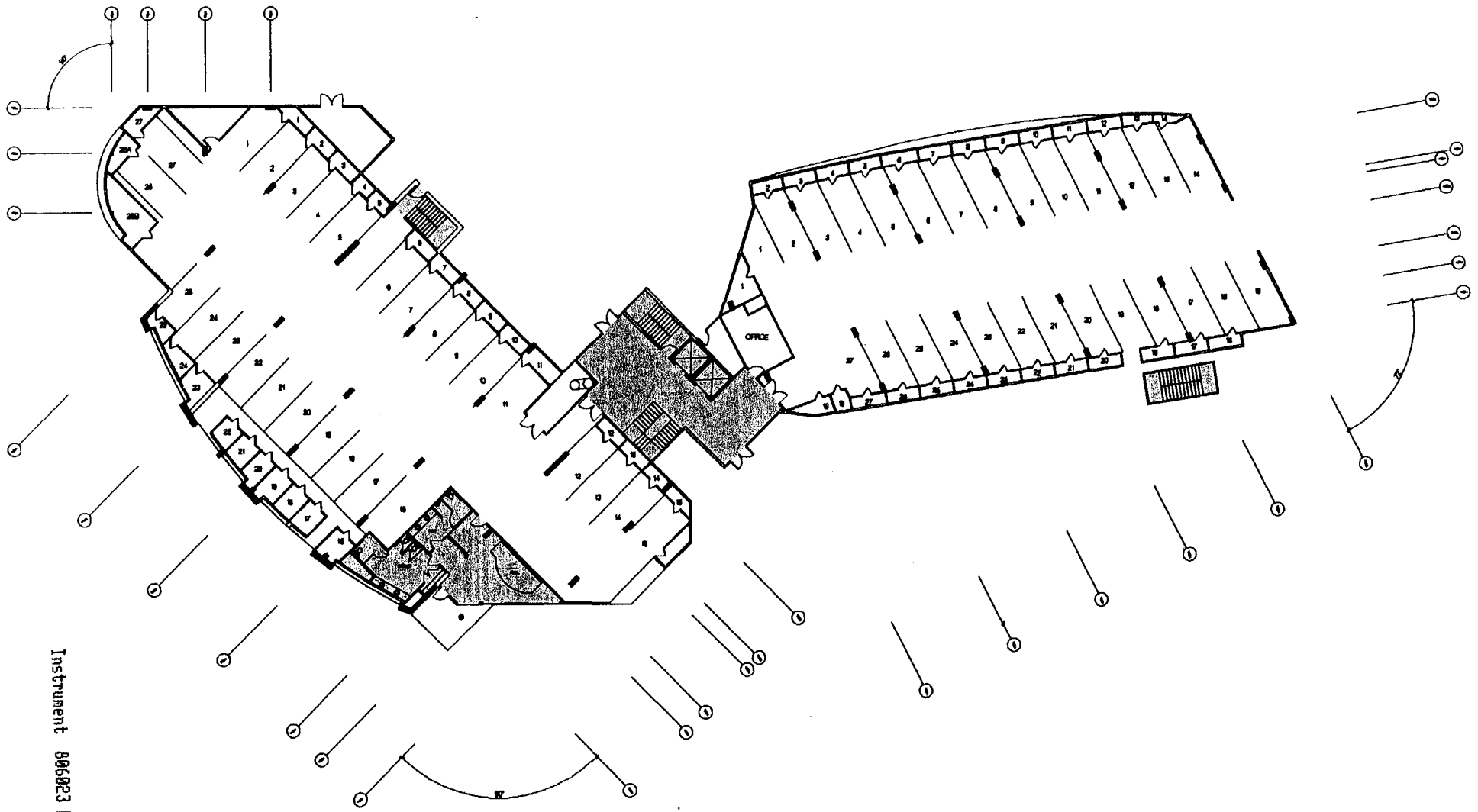
Exhibit I [Initial Projected and Estimated Annual Maintenance budget]

Instrument 806023 Page212of253

Proposed Bayshore Towers Boat Slips

SLIP NUMBER	NUMBER OF SLIPS	SLIP SIZE	LINEAR FT.	OWNERSHIP FACTOR PER UNIT	OWNERSHIP FACTOR PER UNIT TYPE	MONTHLY FEES PER UNIT	MONTHLY FEES PER UNIT TYPE	ANNUAL FEES PER TYPE	
1 to 10	10	12x24	24	0.031830	0.32	$45.13	$451.27	$5,415.22	
11 to 13	3	12.5x27	27	0.035830	0.11	$50.77	$152.30	$1,827.64	
14	1	14.5x27	27	0.043130	0.04	$50.77	$50.77	$609.21	
15	1	14.5x32.5	32.5	0.043130	0.04	$61.11	$61.11	$733.31	
16	1	16.5x37.5	37.5	0.050030	0.05	$70.51	$70.51	$846.13	
17 to 19	3	18x40	40	0.053130	0.16	$75.21	$225.63	$2,707.61	
20 to 22	3	12.5x27	27	0.035830	0.11	$50.77	$152.30	$1,827.64	
23 to 24	2	15.5x35	35	0.046530	0.09	$65.81	$131.62	$1,579.44	
25 to 26	2	13.5x30	30	0.039830	0.08	$56.41	$112.82	$1,353.81	
		W X L	754		1.00	$526.48	$1,408.33	$16,900.00	

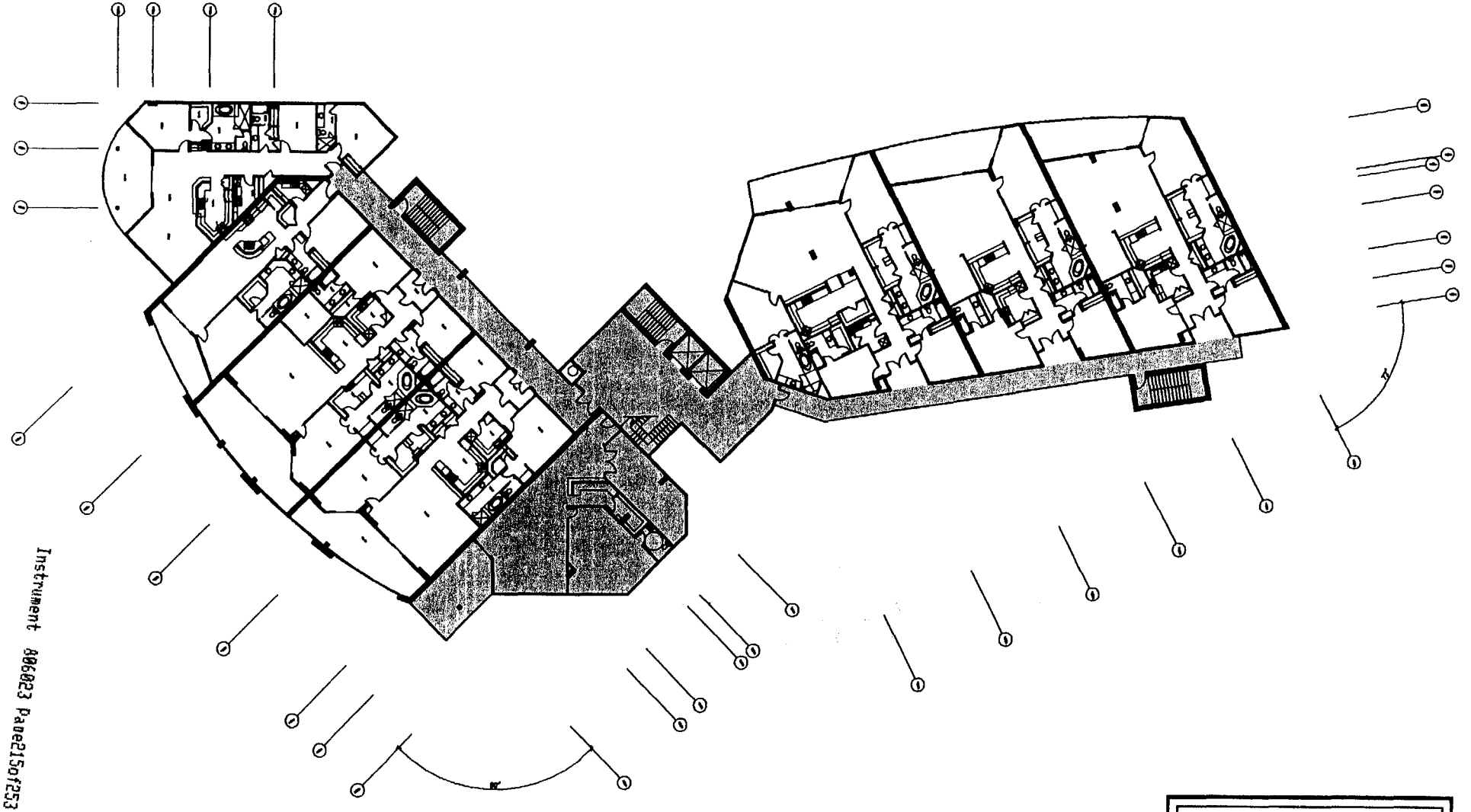
Instrument 806023 Page213of253



GROUND FLOOR

HATCH LEGEND

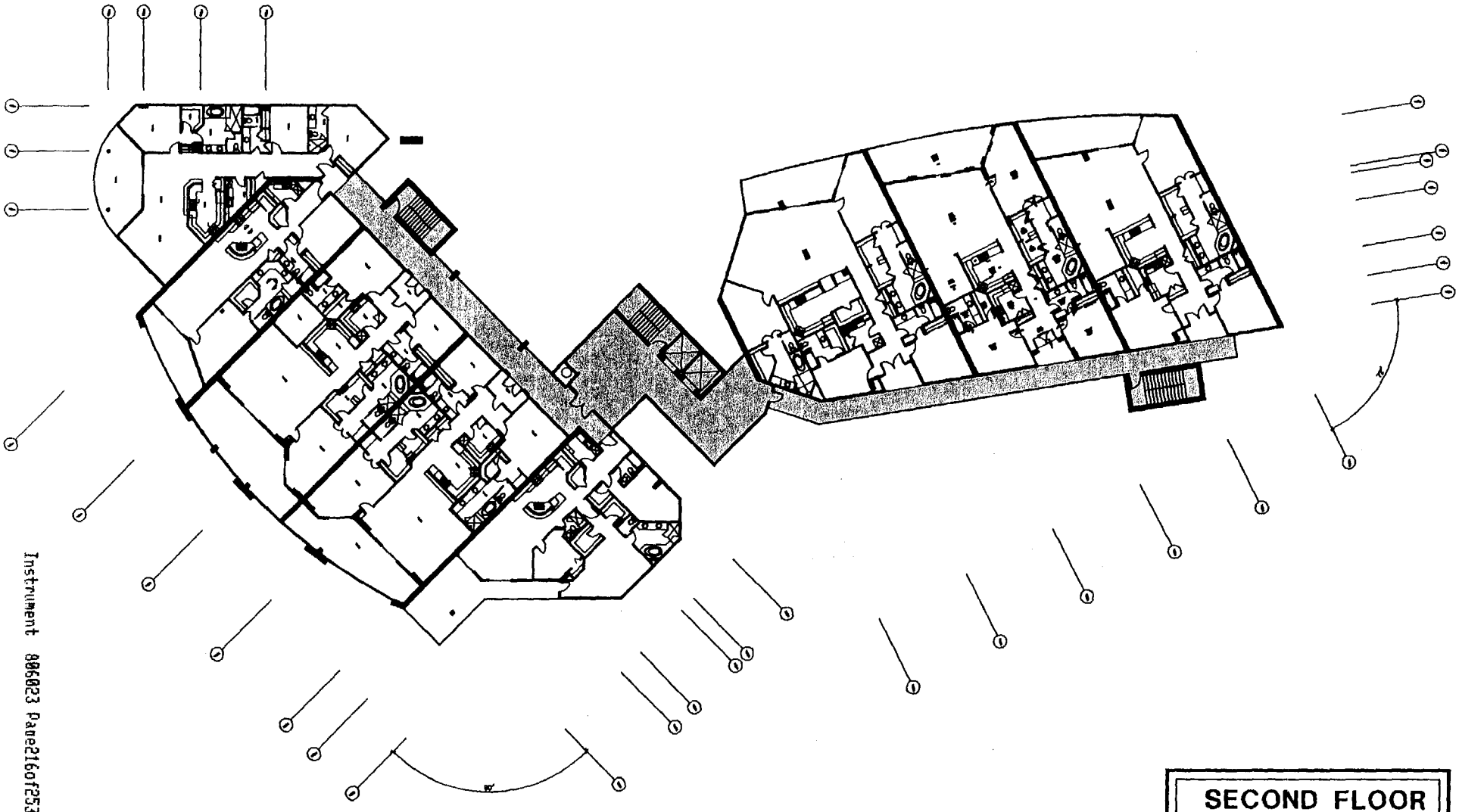
COMMON AREA



FIRST FLOOR

HATCH LEGEND

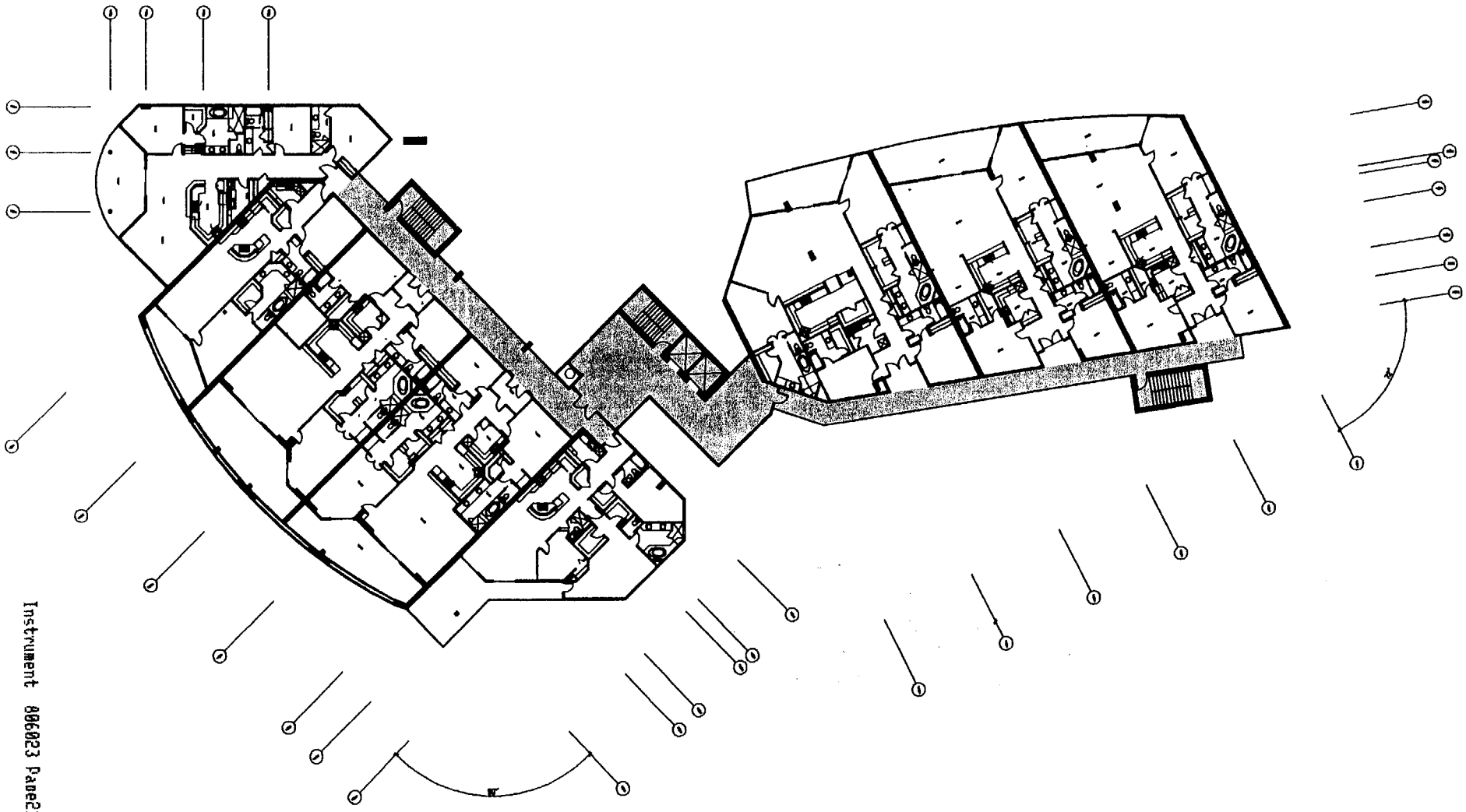
COMMON AREA



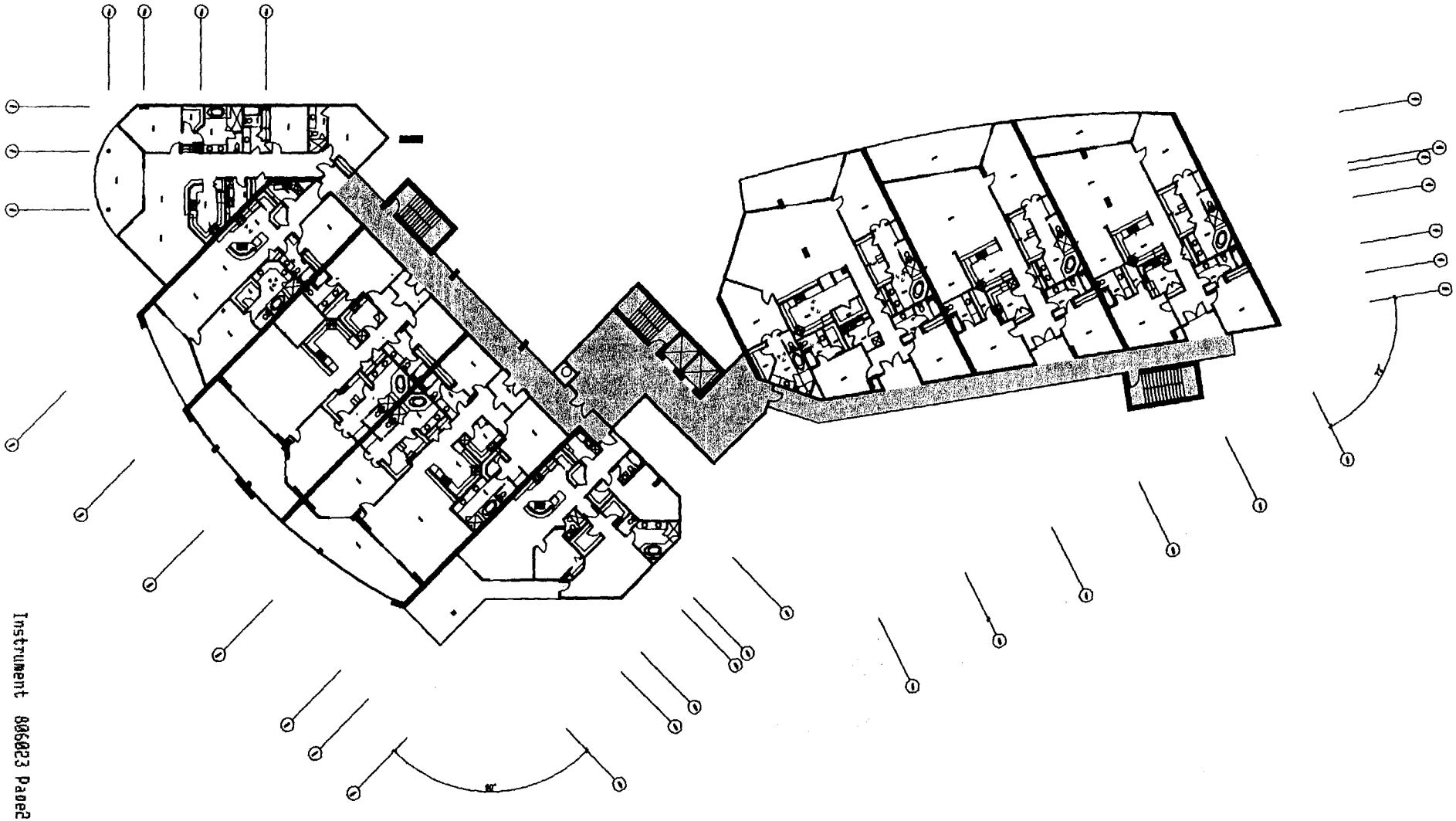
SECOND FLOOR

HATCH LEGEND

COMMON AREA



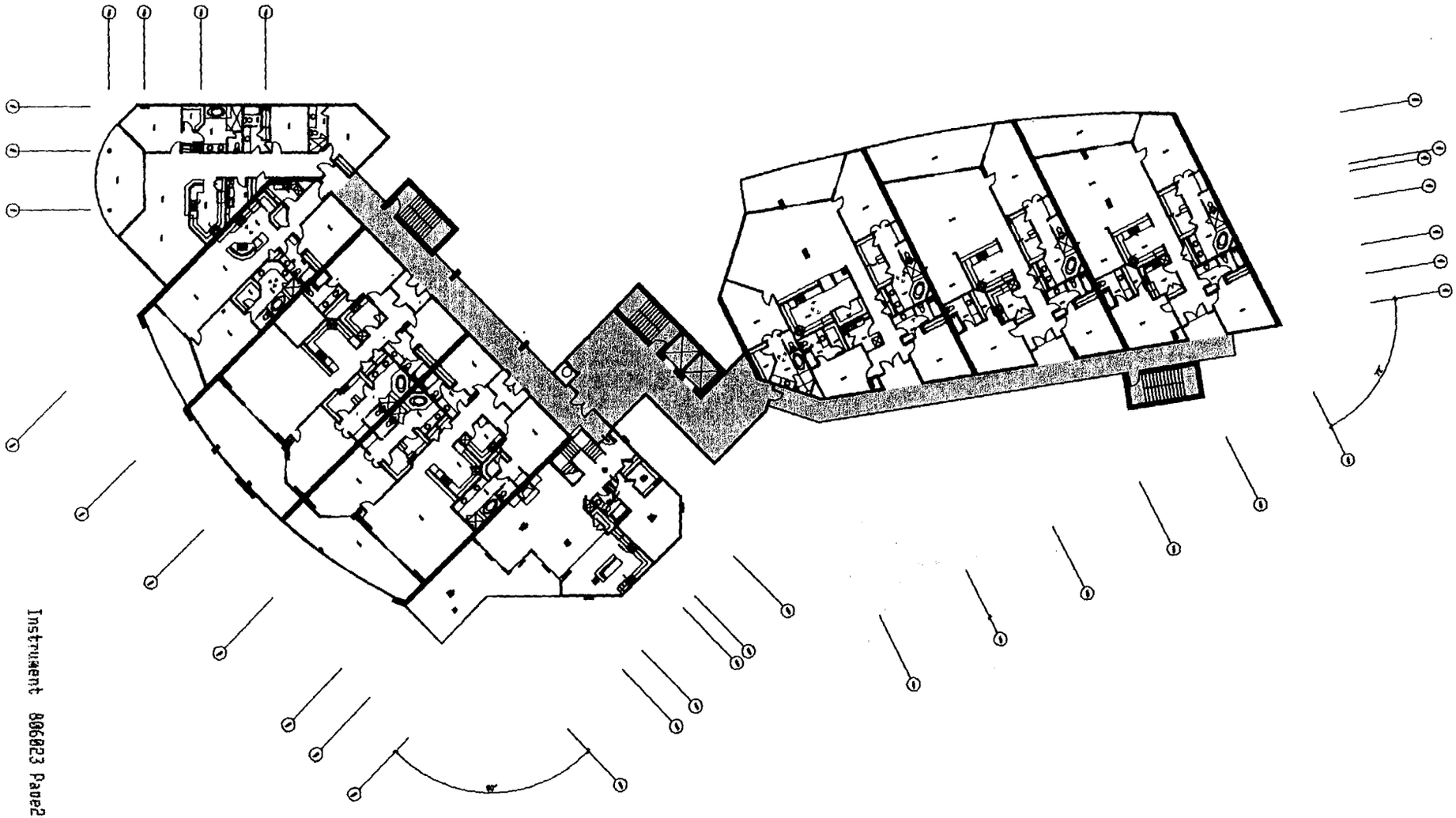
THIRD FLOOR
HATCH LEGEND
COMMON AREA



FOURTH FLOOR

HATCH LEGEND

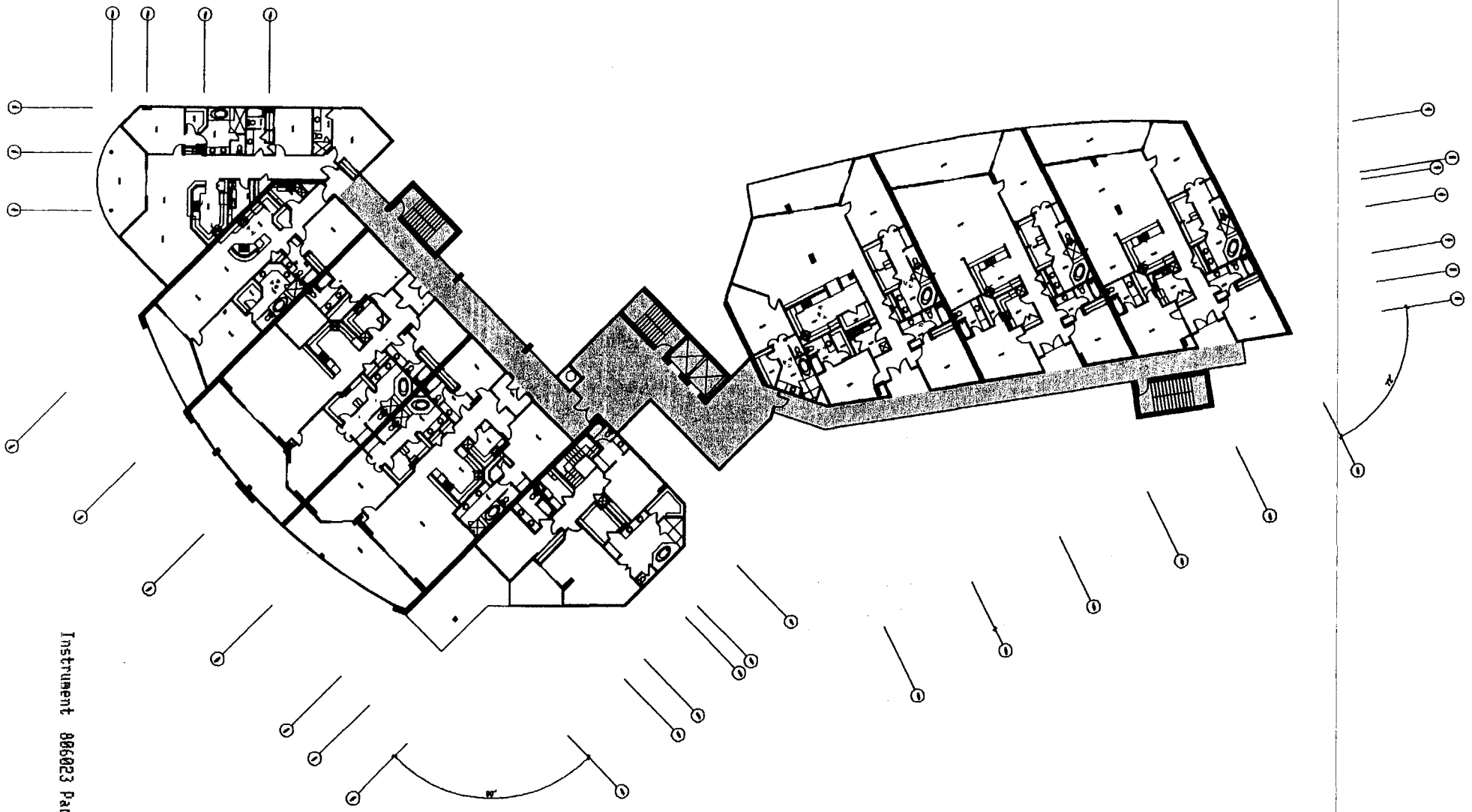
COMMON AREA



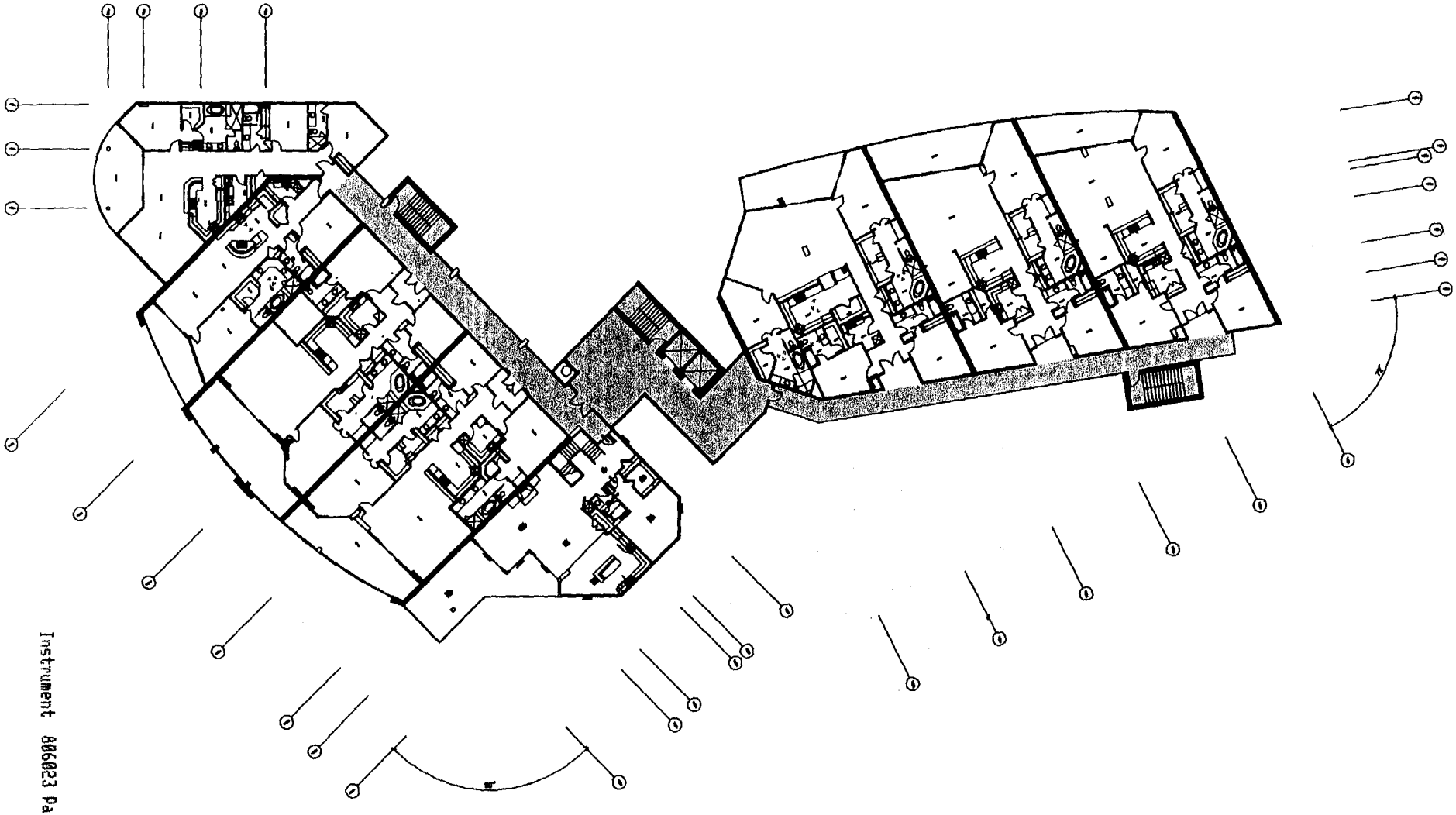
FIFTH FLOOR

HATCH LEGEND

COMMON AREA



SIXTH FLOOR
HATCH LEGEND
COMMON AREA



SEVENTH FLOOR
HATCH LEGEND
COMMON AREA

EIGHT FLOOR
HATCH LEGEND
COMMON AREA

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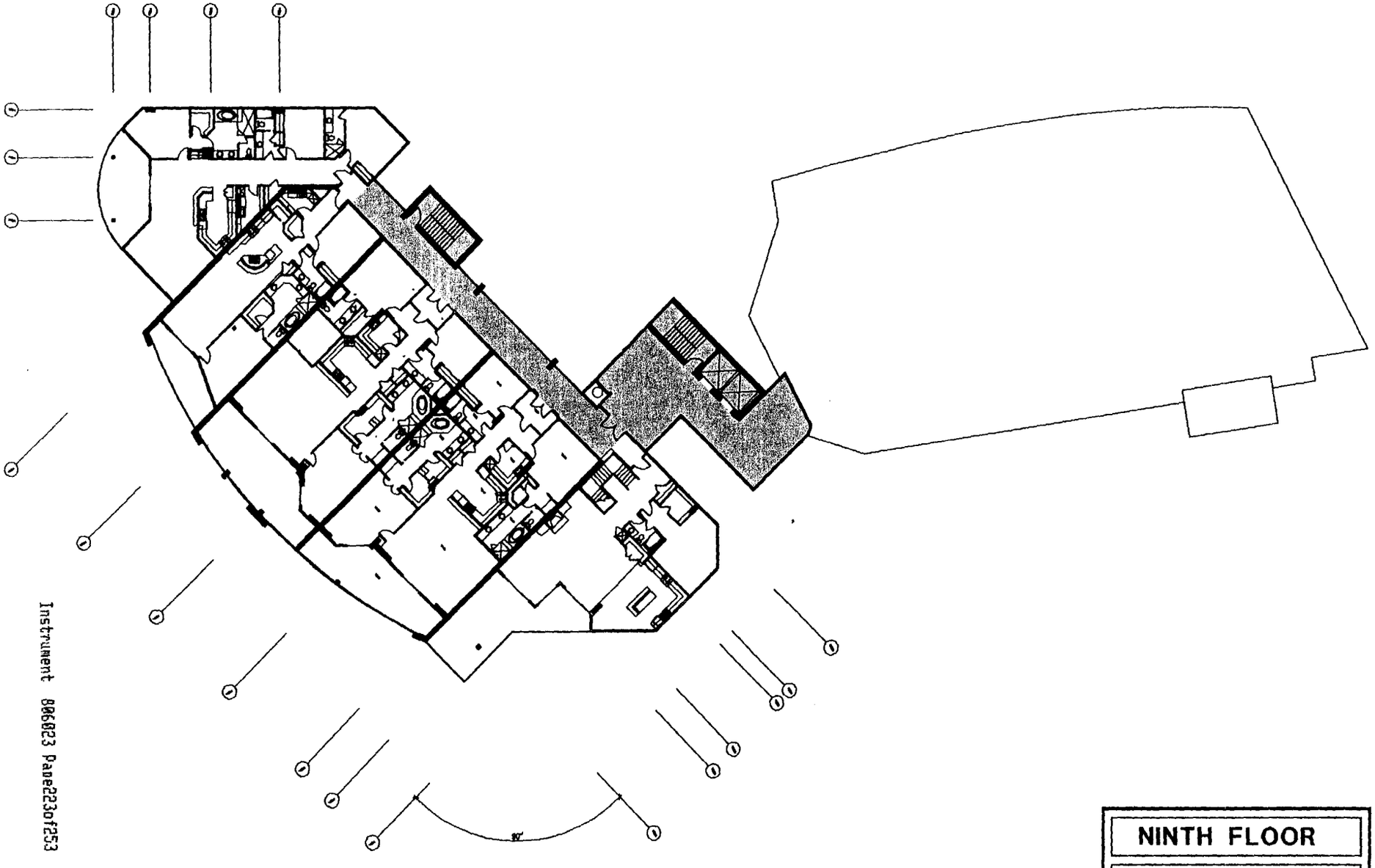
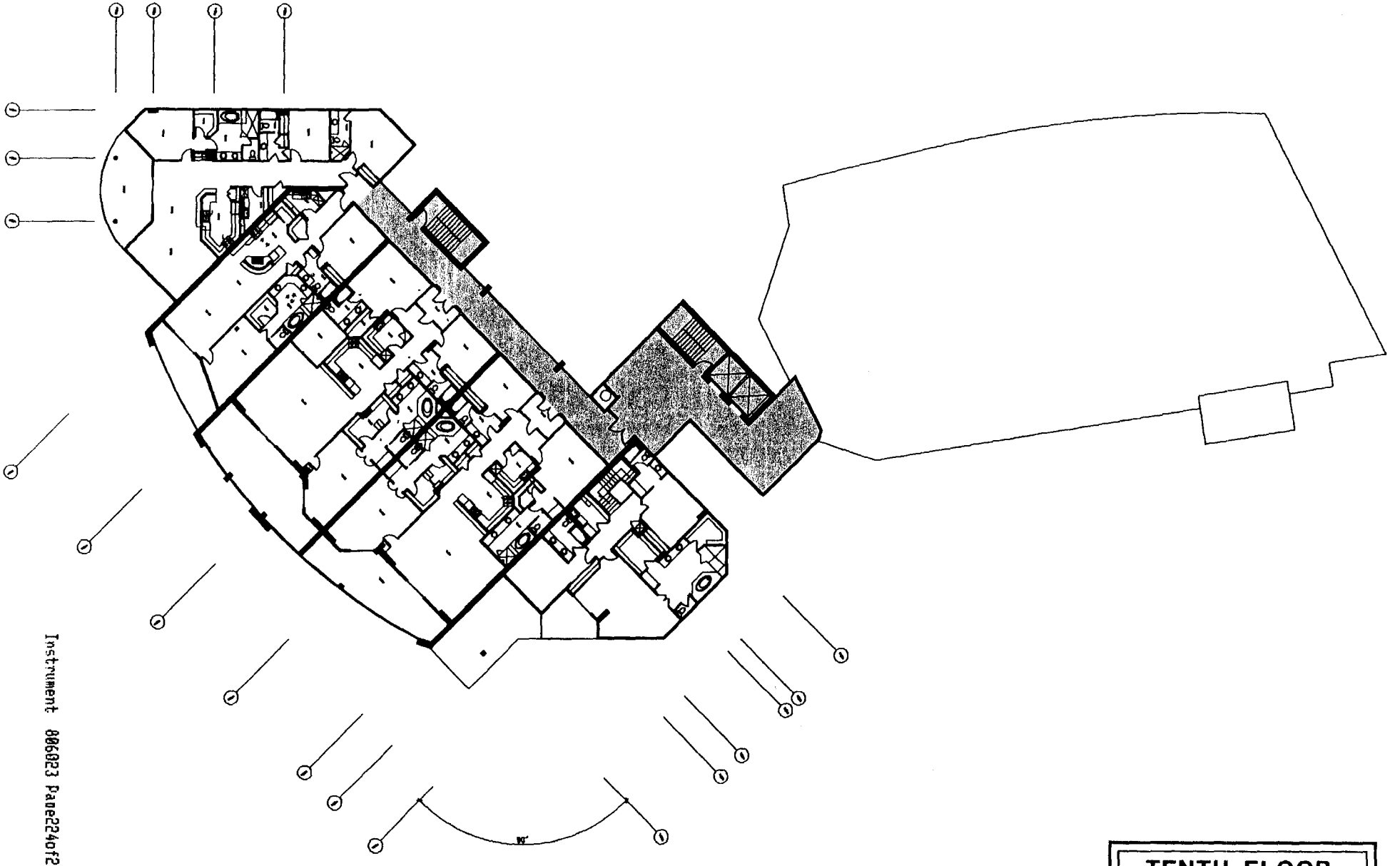


NINTH FLOOR

HATCH LEGEND

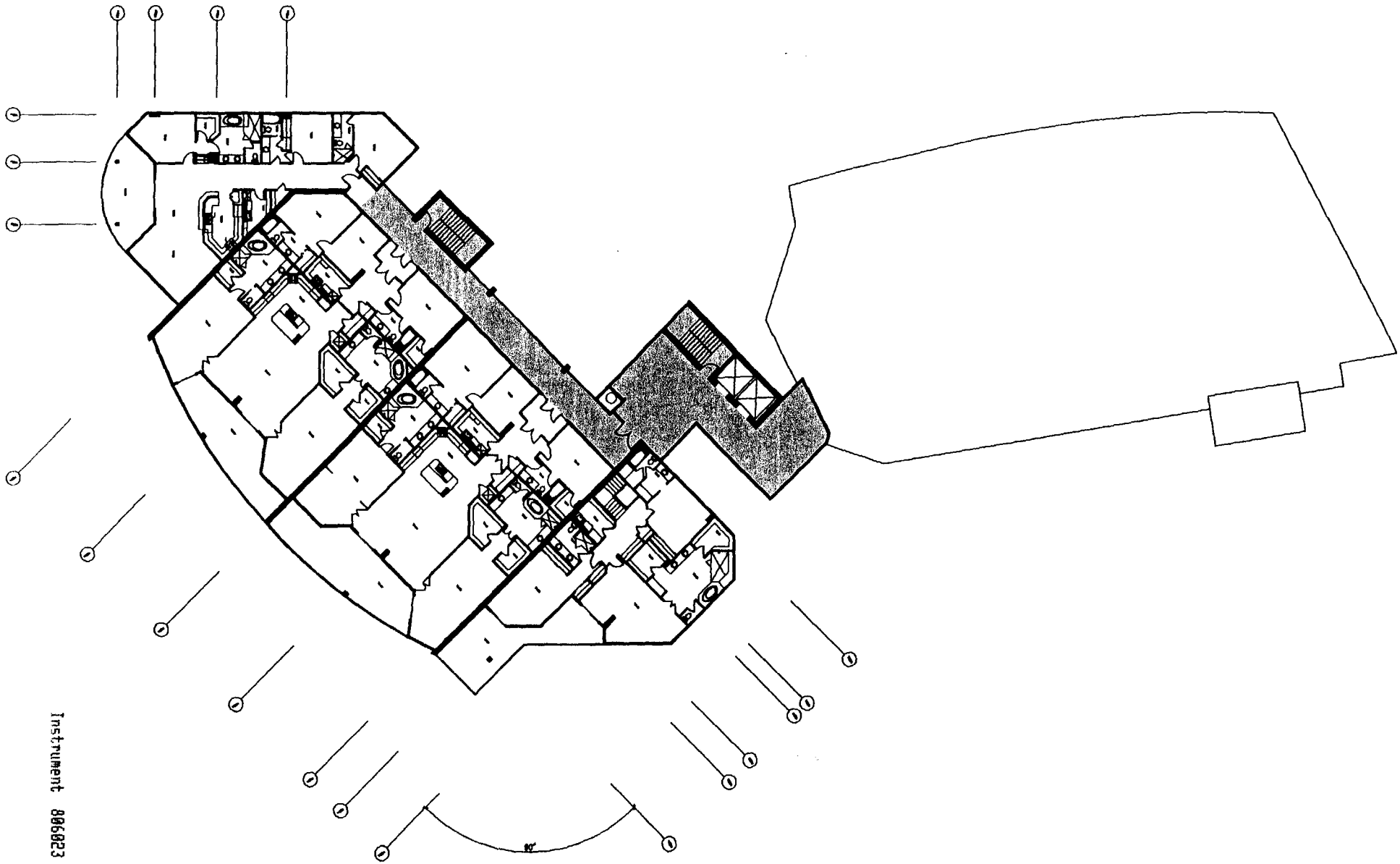
COMMON AREA



TENTH FLOOR

HATCH LEGEND

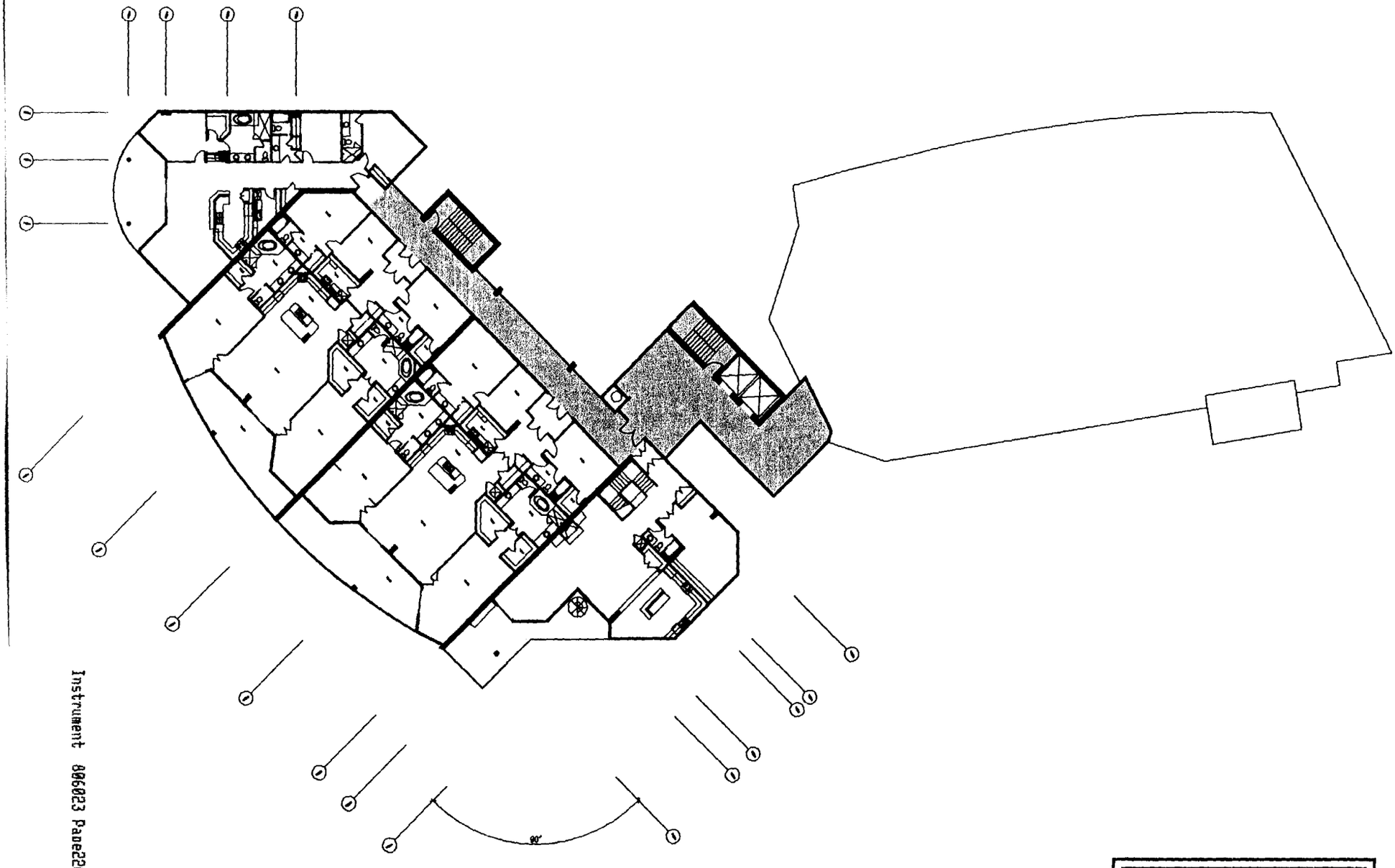
COMMON AREA



ELEVENTH FLOOR

HATCH LEGEND

COMMON AREA



TWELFTH FLOOR

HATCH LEGEND

COMMON AREA

Phase 1 of parking/storage- Each party/storage unit is a 1/47th interest for maintenance, replacement, and repair purposes as a limited common element.

SLIP NUMBER	NUMBER OF SLIPS	SLIP SIZE	LINEAR FT.	OWNERSHIP FACTOR PER UNIT	OWNERSHIP FACTOR PER UNIT TYPE
1 to 10	10	12x24	24	0.031830	0.32
11 to 13	3	12.5x27	27	0.035830	0.11
14	1	14.5x27	27	0.043130	0.04
15	1	14.5x32.5	32.5	0.043130	0.04
16	1	16.5x37.5	37.5	0.050030	0.05
17 to 19	3	18x40	40	0.053130	0.16
20 to 22	3	12.5x27	27	0.035830	0.11
23 to 24	2	15.5x35	35	0.046530	0.09
25 to 26	2	13.5x30	30	0.039830	0.08
		W X L	754		1.00

Exhibit J [Unit to which slip allocated]

Instrument 806023 Page229of253

Bayshore Proposed Operating Budget with Phase 1 Complete

	Proposed	
REVENUE:		
Maintenance Fees	$331,845.00	
Interest Income	$250.00	
TOTAL REVENUE	$332,095.00	
GROSS PROFIT	$332,095.00	
EXPENSES:		
EXPENSES - ADMINISTRATIVE		
Management Fees	$9,540.00	$15 per door (53 door projected)
Bank Charges	$100.00	
Office Supplies	$650.00	
Postage	$435.00	2 mailings per month for 53 units
Tax & License	$350.00	
Stationary & Printing	$500.00	
TOTAL EXPENSES - ADMINISTRATIVE	$11,575.00	
EXPENSES - PROFESSIONAL SVS		
Accounting Fees	$3,000.00	
Insurance Expense	$120,000.00	
Professional Fees	$2,000.00	
Fire Protection	$1,750.00	
TOTAL EXPENSES - PROFESSIONAL SVC	$126,750.00	
EXPENSES - CONTRACTED SVC		
Common Area Maintenance	$35,000.00	Custodial and light maintenance
Elevator Maintenance	$3,000.00	maintenance contract
Exterminator	$2,500.00	monthly service
Pool Service	$7,500.00	
Landscape Service	$10,000.00	
*Office Personnel	$30,000.00	On-site office 5 days
Waste Collection	$7,000.00	Based on number of doors in complex
Miscellaneous Repairs	$4,500.00	
TOTAL EXPENSES - CONTRACTED SVC	$99,500.00	
EXPENSES - SUPPLIES		
Supplies - Building	$5,000.00	
Supplies - Grounds	$4,500.00	
Supplies - Pool	$6,000.00	
Supplies - Miscellaneous	$3,500.00	
TOTAL EXPENSES - SUPPLIES	$19,000.00	
EXPENSES - UTILITIES		
Cable Television	$3,300.00	$6.14 per unit per month
Telephone	$1,650.00	1 office and 2 pool phones
Elevator Telephone	$600.00	1 elevator phone
Water	$15,000.00	approximately $1250.00 per month
Sewer System	$12,720.00	$20.00 per unit per month
Gas-Heated Pool	$7,000.00	
Electricity	$15,000.00	approximately $1250.00 per month
TOTAL EXPENSES - UTILITIES	$55,270.00	
TOTAL EXPENSES	$312,095.00	
NET INCOME FROM OPERATIONS		
	$20,000.00	
OTHER INCOME & EXPENSE		
RESERVE FUND	-$20,000.00	
NET INCOME (LOSS)	$0.00	
*7 day Office Staff $45,000.00		
* 5 day Office Staff $30,000.00		

BAYSHORE TOWERS PROPOSED ASSOCIATION
DUES OPTION 1

TOWER I		SQ/ FT PER UNIT	TOTAL SQ FT.	OWNERSHIP PER UNIT TYPE	OWNERSHIP FACTOR PER UNIT	MONTHLY DUES PER UNIT	YEARLY DUES PER TYPE		
10	A Units	1429	14290	0.012764285	0.001276429	$ 289.52	$ 34,741.85		
12	D Units	1860	22320	0.016614115	0.00138451	$ 376.84	$ 54,264.38		
10	E-1 Units	2257	22570	0.020160246	0.002016025	$ 457.27	$ 54,872.18		
10	E-2 Units	2242	22420	0.020026261	0.002002626	$ 454.23	$ 54,507.50		
2	F-1 Units	3091	6182	0.027609801	0.0138049	$ 626.24	$ 15,029.68		
2	F-2 Units	3124	6248	0.027904567	0.013952284	$ 632.92	$ 15,190.14		
3	C-1 Units	1745	5235	0.015586898	0.005195633	$ 353.54	$ 12,727.33		
3	C-2 Story Units	3066	9198	0.027386493	0.009128831	$ 621.17	$ 22,362.18		
1	C-3 Story Units	3490	3490	0.031173796	0.031173796	$ 707.07	$ 8,484.89		
53			111953				**$ 272,180.13**		

Instrument 006023 Page231of253

Bayshore Proposed Operating Budget Draft Phase 1 and 2

	Proposed BUDGET	
REVENUE:		
Maintenance Fees	$435,570.00	
Interest Income	$250.00	
TOTAL REVENUE	$435,820.00	
GROSS PROFIT	**$435,820.00**	
EXPENSES:		
EXPENSES - ADMINISTRATIVE		
Management Fees	$13,860.00	$15.00 Per Door (77 Door Projected)
Bank Charges	$100.00	
Office Supplies	$650.00	
Postage	$700.00	2 mailings per month for 77 units
Tax & License	$500.00	
Stationary & Printing	$500.00	
TOTAL EXPENSES - ADMINISTRATIVE	$16,310.00	
EXPENSES - PROFESSIONAL SRVS		
Accounting Fees	$3,000.00	Review Audit/Tax Prep.
Insurance Expense	$173,800.00	
Professional Fees	$2,000.00	
Fire Protection	$2,500.00	
TOTAL EXPENSES - PROFESSION	$181,300.00	
EXPENSES - CONTRACTED SERVICES		
Common Area Maintenance	$40,000.00	Custodial and Light Maintenance
Elevator Maintenance	$6,000.00	Maintenance Contract
Exterminator	$3,780.00	Monthly Service
Pool Service	$8,000.00	
Landscape Service	$12,000.00	
*Office Personnel	$30,000.00	On-Site Office 5 Days
Waste Collection	$11,500.00	Based on Number of Doors in Complex
Miscellaneous Repairs	$5,000.00	
TOTAL EXPENSES - CONTRACTED SERV	$116,280.00	
EXPENSES - SUPPLIES		
Supplies - Building	$6,500.00	
Supplies - Grounds	$6,000.00	
Supplies - Pool	$8,500.00	
Supplies - Miscellaneous	$5,000.00	
TOTAL EXPENSES - SUPPLIES	$26,000.00	
EXPENSES - UTILITIES		
Cable Television	$4,750.00	$5.14 per unit per month
Telephone	$2,400.00	1 office and 3 pool phones
Elevator Telephone	$1,200.00	2 elevator phones
Water	$22,000.00	Approximately $1800.00 per month
Sewer System	$18,480.00	$20.00 per unit per month
Gas-Heated Pool	$5,300.00	
Electricity	$21,800.00	Approximately $1815.00 per month
TOTAL EXPENSES - UTILITIES	$75,930.00	
TOTAL EXPENSES	$415,820.00	
NET INCOME FROM OPERATIONS	**$20,000.00**	
OTHER INCOME & EXPENSE		
Reserve Fund	$ (20,000.00)	
NET INCOME (LOSS)	$0.00	
*7 day Office Staff $45,000.00		
*5 day Office Staff $30,000.00		

BAYSHORE TOWERS PROPOSED ASSOCIATION DUES OPTION 2

TOWER I		SQ/ FT PER UNIT	TOTAL SQ FT.	OWNERSHIP PER UNIT TYPE	OWNERSHIP FACTOR PER UNIT	MONTHLY DUES PER UNIT	YEARLY DUES PER TYPE	
10	A Units	1429	14290	0.008399509	0.000839951	$ 254.36	$ 30,523.44	
12	D Units	1860	22320	0.01093288	0.000911073	$ 331.08	$ 47,675.52	
10	E-1 Units	2257	22570	0.013266404	0.00132664	$ 401.75	$ 48,209.52	
10	E-2 Units	2242	22420	0.013178235	0.001317824	$ 399.08	$ 47,889.12	
2	F-1 Units	3091	6182	0.018168566	0.009084283	$ 550.20	$ 13,204.75	
2	F-2 Units	3124	6248	0.018362537	0.009181268	$ 556.07	$ 13,345.73	
3	C-1 Units	1745	5235	0.010256923	0.003418974	$ 310.61	$ 11,181.96	
3	C-2 Story Units	3066	9198	0.018021619	0.006007206	$ 545.75	$ 19,646.93	
1	C-3 Story Units	3490	3490	0.020513845	0.020513845	$ 621.22	$ 7,454.64	
53								
TOWER II								
8	B Units	2760	22080	0.016222984	0.002027873	$ 491.28	$ 47,162.88	
8	E-3 Units	2284	18272	0.013425107	0.001678138	$ 406.55	$ 39,028.99	
8	E-4 Units	2228	17824	0.013095945	0.001636993	$ 396.58	$ 38,072.06	
			170129				$ 363,395.54	

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Bayshore Garage Parking Lot
Proposed Budget Phase 1

REVENUE:		
Parking		
27 Inside Parking	$4,480.85	Phase 1 of parking / storage
20 Parking Outside	$3,319.15	Each parking / storage unit is a 1/47th
TOTAL REVENUE	$7,800.00	interest for maintenance, replacement,
		& repair purposes.
GROSS PROFIT	**$7,800.00**	
EXPENSES:		
EXPENSE - PROFESSIONAL SVC		
Insurance	$5,000.00	
TOTAL EXPENSES - PROFESSIONAL SVC	$5,000.00	
EXPENSES - CONTRACTED SVCS		
Blowing	$1,800.00	
Re-Striping	$1,000.00	
TOTAL EXPENSES - CONTRACTED SVCS	$2,800.00	
TOTAL EXPENSES	**$7,800.00**	
NET INCOME FROM OPERATIONS	**$0.00**	
OTHER INCOME & EXPENSE	0	
Reserve Fund	0	
NET INCOME (LOSS)	0	

Bayshore Garage Parking Lot
Proposed Budget Phase 2

REVENUE:		
Parking		
27 Inside Parking	$4,480.85	Phase 1 of parking / storage
20 Parking Outside	$3,319.15	Each parking / storage unit is a 1/47th
TOTAL REVENUE	$7,800.00	interest for maintenance, replacement,
		& repair purposes.
GROSS PROFIT	**$7,800.00**	
EXPENSES:		
EXPENSE - PROFESSIONAL SVC		
Insurance	$5,000.00	
TOTAL EXPENSES - PROFESSIONAL SVC	$5,000.00	
EXPENSES - CONTRACTED SVCS		
Blowing	$1,800.00	
Re-Striping	$1,000.00	
TOTAL EXPENSES - CONTRACTED SVCS	$2,800.00	
TOTAL EXPENSES	**$7,800.00**	
NET INCOME FROM OPERATIONS	**$0.00**	
OTHER INCOME & EXPENSE	0	
Reserve Fund	0	
NET INCOME (LOSS)	0	

3.0211 MR: Marine Resort District

This District is intended to provide waterway-adjacent locations suitable for resort marinas, including boat docking, mooring, and storage facilities (wet and dry) for pleasure craft and charter fishing boats. These marinas may also provide facilities for the repair, fueling, and maintenance of these boats. This District will also allow restaurants, shops, and services which cater to the marina trade, but these businesses must be located in conjunction with and contained within a marina complex. This District will also allow single-family and multifamily residences. Hotels/motels with supporting businesses structurally contained within the hotel/motel are permitted in this District.

3.0212 GB: General Business District

This District is intended to provide locations for retail trades and services that serve the resident and seasonal populations of the Municipality and visitors. Types of uses permitted are restricted to those that are compatible with the Municipality's resort character.

3.0213 I-1: Industrial District

This District is intended to provide locations for heavier commercial and light industrial activities which will not detract from the general resort character of the Municipality because of hazardous operations, unsightly appearance of buildings and surroundings, objectionable emissions, or other factors.

3.0214 RVP: Recreational Vehicle Park

This District is intended to provide appropriate locations for recreational vehicle parks and to establish guidelines to ensure sound planning and positive effect on surrounding environments.

3.0215 AG: Agricultural District

This District is intended to provide appropriate locations for farming, forestry, and agricultural purposes.

3.0216 O: Overlay District

This district is intended to provide safe-guards to the surrounding environment by guiding building form in a way that is more consistent with the historic form and character of a particular area and to assist in preserving the visual resources of the City. The end result being a positive effect on traffic congestion, and the health, safety and welfare of the citizens of Orange Beach.

3.0217 PUD: Planned Unit Development District

This district is intended to provide in a proper circumstance, a mechanism for development of land as planned residential communities, commercial and industrial complexes, or mixed uses through flexible and creative concepts of site planning.

3.03 ZONING MAP

Said Districts are bounded as shown on the map entitled "Official Zoning Map of the Municipality of Orange Beach, Alabama", adopted herewith, which accompanies, and with all explanatory matter therein, is hereby made a part of this Ordinance. The original of the Zoning Map, properly attested, is and shall remain on file in the office of the Municipal Clerk.

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Amusement arcade, kiddieland				R					R	R		
Archery range										R		
Baseball batting range										R		
Billiard or pool hall				R					R			
Bowling Alley									R			
Fairgrounds, circus/carnival										R		
Golf course									R	R		R
Golf course, miniature									R			
Golf driving range									R	R		R
Racquetball,indoor (restricted for private use in RS-1 and 2)	R	R	R	R	R	R		R	R		R	
Theatre, indoor				R					R			
Theatre, outdoor/drive-in										R		
Animal clinic/small animal kennel										R		
Antique store, not including repairing and refinishing							R		R	R		
Apparel & accessory store				R			R		R			
Appliance store									R			
Apothecary				R			R		R			
Armory										R		
Art gallery or museum				R			R		R			
Art supplies				R			R		R			
Auditoriums, stadiums, coliseums									R	R		
Automobile parts sales, except used parts									R	R		
Automobile storage, including parking lots: must be enclosed in a privacy fence no less than 8' in height									R	R		
Automobile, travel trailer, camper, farm equipment and implements and mobile home sales (new and used): need not be enclosed in a structure, but any mechanical or body repair must be done entirely within a structure which shall not have any opening, other than a stationary window, within 100' of a residential district									R	R		
Automobile & truck washing & polishing including steam cleaning									R	R		
Automobile/truck repair garage, mechanical/body: must be conducted in structure with no opening other than a stationary window within 100' of a residential district and shall not store or maintain parts or waste materials outside structure									R	R		
Automobile/truck sales/service, not including commercial wrecking, dismantling or auto salvage yard; need not be enclosed in structure provided unenclosed part complies with the requirements for maintenance of off-street parking facilities									R	R		

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Automobile/truck service including minor repair, where primary function is retail sales of gasoline, oil, grease, tires, batteries and accessories, and where services are limited to installation of items sold, washing, polishing, repairs, but not including commercial wrecking, dismantling or salvage yard, major overhauling or body work									R	R		
Bait store or sales (live bait)								R	R			
Bakery, retail				R			R		R			
Bakery, wholesale									R	R		
Bank, including drive-in							R		R			
Barber shop or beauty parlor				R			R		R			
Barber/beauty supplies & equipment sales									R			
Bicycle, lawnmower sales, service and repair									R			
Boat construction, storage, service and repair, wet and dry major										R		
Boat docking & dry storage of pleasure boats as accessory use to permitted principal use; maximum of one slip per unit; boat repair service prohibited		R	R									
Boat docking & dry storage of pleasure boats as accessory use to permitted principal use; maximum of 3 slips per unit; boat repair service prohibited	R											
Boat docking as an accessory use to a permitted principal use; intended to allow boat passengers to use on-land facilities, such as restaurants, lounges, etc; may not sell fuel, oil, etc., non-enclosed dry storage allowed								R	R	R		
Boat storage, service and repair; a marina for docking pleasure boats and providing services thereto and to the occupants thereof, including minor servicing and minor repair to boats while in the water, sale of fuel and supplies, provision of lodging, food, beverages and entertainment as accessory uses; charter boat fishing services								R	R	R		
Boat sales, accessories & service								R	R	R		
Bottling works										R		
Building materials supply, provided that all storage areas are screened from view									R	R		
Bus and truck terminal facility										R		
Business machine sales/service									R			
Business school/trade school										R		
Butane & other liquefied petroleum gas products storage/sales										R		
Cabinet/carpenter shop									R	R		
Café, grill, lunch counter and restaurant, not including night club, bar, tavern & drive-in restaurant				R				R	R	R		
Camera/photographic supply store				R			R		R			

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Candy, nut & confectionery store				R			R		R			
Canvas products manufacturer										R		
Car wash, not including trucks or trailers									R	R		
Carting, express, crating, hauling, storage										R		
Catering shop or service				R				R	R			
CATV operation; limited to 1 building to house equipment, no more than 4 dishes & 2 towers for antennas; maximum height for towers is 35'; screening required, may include fencing & natural plantings									R	R		
Churches & related accessory buildings	R	R	R	R	R	R	R	R	R	R		
City Hall, police station, fire station, courthouse, federal office building & similar public buildings									R	R		
Clinic, dental, medical or psychiatric for humans							R		R			
Clothing manufacturer										R		
Club or lodge, fraternal, civic, charitable or similar organization, public/private								R	R	R		R
Cold storage plant										R		
College or university									R	R		
College sorority/fraternity house									R			
Concrete/concrete products manufacture: need not be enclosed in structure										R		
Contractor's storage yard for vehicles, equipment, materials and supplies: need not be enclosed within structure, but must be enclosed in solid 8' fence									R	R		
Convenience store									R	R		
Dairy equipment sales										R		
Dairy products sales (retail)				R				R	R	R		
Delicatessen				R				R	R	R		
Department store									R			
Dog pound										R		
Drive-in restaurant									R			
Drug store				R			R		R			
Dry boat storage business, as accessory use or principal use. Need not be enclosed in structure; but if not so enclosed, must be enclosed by a privacy fence of no less than 8'								R	R	R		
Dry goods or fabric store									R			
Dwelling, one family	R	R	R	R	R	R	R	R	R		R	R
Dwelling, two family	R	R	R	R			R	R	R			R
Dwelling, multi-family		R	R	R				R	R			
Electric power generating plant										R		

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Electric power substation; need not be enclosed in structure but must be secured by chain link or similar fence or be raised above ground so as to be inaccessible to unauthorized persons; requires visual screening										R	R	
Electric repair shop									R	R		
Electric supply store									R	R		
Elevator maintenance service									R	R		
Employee credit union office				R			R		R	R		
Farm/garden equipment/supply store									R	R		
Farmer's market										R		R
Fix-it shop, including small appliance repair									R	R		
Fixture sales									R	R		
Floor covering sales/service									R	R		
Floral shop				R			R		R			
Food locker plant including rental of lockers for storage of food; cutting & packaging of meats & game, but not the slaughtering of animals or fowl										R		
Food products processing plant										R		
Food products, wholesale storage and sales									R	R		
Freight depot, truck										R		
Frozen food manufacture and packaging										R		
Fruit/produce, retail									R	R		
Funeral home, mortuary/undertaking									R			
Furniture/home furnishing store, including office furniture/equipment									R	R		
Furniture repair, upholstering and refinishing									R	R		
Gas station									R	R		
Gift shop				R			R		R			
Grocery store, retail									R			
Gymnasium, commercial										R		
Hardware store, retail									R			
Hardware store, wholesale, storage and sales									R	R		
Hatchery, poultry or fish										R		
Heating/plumbing equipment, supplies and sales									R	R		
Hobby shop/supply store				R			R		R			
Home occupation, except charter boat	R	R	R	R		R	R		R			R
Hospital, clinic, convalescent or nursing home, extended care facility for humans									R	R		
Hotel, motel				R				R	R			
Ice plant										R		
Institution for children/aged									R	R		

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Interior decorating shop							R		R			
Kindergarten/playschool/daycare center, public/private provided that all activities are carried on in enclosed building or fenced yard									R			
Laboratory, scientific										R		
Laboratory, medical or dental									R	R		
Landscape garden sales; need not be enclosed in structure									R	R		
Laundry, self service				R	R			R	R	R	R	
Laundry/dry cleaning pick-up station				R			R		R			
Laundry/dry cleaning plant										R		
Laundry/linen supply				R					R	R		
Leather goods/luggage store				R			R		R			
Library		R	R				R		R			
Liquor/wine/beer sales not consumed on premises				R					R			
Livestock/poultry raising (minimum 3 acres)										R		R
Loan office							R		R			
Locksmith									R	R		
Lumber yard/building materials										R		
Machine shop										R		
Machinery, tools & construction equipment, sales & service										R		
Mail order house									R	R		
Manufacturing, repair, assembly or processing establishments of light industrial nature, including but not limited to the following: confectionery, food, frozen dessert & mild products processing/manufacturing										R		
Clothing/garment manufacture										R		
Laboratories for testing materials, chemical analysis & photographic processing										R		
Musical instruments and parts manufacture										R		
Scientific, optical and electronic equipment assembly and manufacturing										R		
Souvenirs/novelties manufacture										R		
Toy, sporting goods & athletic goods manufacture										R		
Marina stores and supplies								R	R	R		
Metal products fabrication										R		
Millwork/similar wood products manufacture										R		
Mobile homes					R	R						
Mobile homes, sales										R		
Mobile home park					R							
Mobile home subdivision						R						
Motorcycle sales, service, repair									R	R		
Music store				R			R		R			

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Natural resource production, including the extraction of oil, gas and water										R		R
Night club, bar, tavern & cocktail lounge when separate from restaurant				R				R	R			
Novelty/souvenir manufacture										R		
Office				R			R	R	R	R		
Office equipment/supplies, retail									R			
Oil well equipment/supplies manufacture										R		
Optician							R		R			
Paint & wallpaper store									R			
Painting/decorating contractor									R	R		
Paper supplies, wholesale									R	R		
Park or playground including recreation centers: need not be enclosed in structure	R	R	R	R	R	R	R	R	R	R	R	R
Passenger depot, bus									R	R		
Pawn shop									R			
Pet shop							R		R			
Photographic studio and/or processing				R			R		R	R		
Picture framing							R		R			
Pipe storage										R		
Plastic fabrication										R		
Plumbing shop									R	R		
Police substation, including highway patrol									R	R		
Post office									R	R		
Printing, blueprinting, bookbinding, photostatting, lithographing and publishing establishment									R	R		
Public utility production & maintenance building with proper screening										R		R
Public utility substation with screening										R		R
Radio/television station & transmitting tower										R		
Recreational vehicle park					R						R	
Reducing, exercise, karate, domestic or other body fitness type salon				R			R		R			
Restaurant (dine-in)				R				R	R	R		
Riding academy										R		R
Roofing and sheet metal shop										R		
Rug and/or drapery cleaning service									R	R		
Sand and gravel storage yard										R		
Schools, public/private, encompassing grades K-12	R								R			R

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Seafood processing plant										R		
Seafood store, retail								R	R	R		
Sewage disposal plant (Municipal)										R		R
Shoe repair shop				R					R			
Shoe store, retail				R					R			
Sign shop										R		
Stone monument sales, retail; may include cutting and processing merchandise sold at retail on site										R		
Studio for professional work or teaching of fine arts such as photography, drama, speech, painting				R			R		R			
Studio for dance or music				R			R		R			
Surgical or dental supplies manufacture										R		
Surgical or dental supplies retail									R			
Tailor shop				R			R		R			
Taxi dispatching station									R	R		
Taxi terminal; storage & repair of vehicles										R		
Taxidermy shop								R	R	R		
Teen club or youth center									R	R		R
Telephone exchange		R	R	R	R	R	R	R	R	R	R	
Telephone equipment storage including shops and garage; need not be enclosed in structure but must provide adequate screening										R		
Temporary uses including revival tents and carnivals, not to exceed two weeks in any calendar year										R		R
Timber growing, cultivation, harvesting by permit only, sales and removal by right of trees not protected (rev. 5.4/99)	R	R	R	R	R	R	R	R	R	R	R	R
Toy store				R					R			
Transit vehicle storage/servicing; need not be enclosed in structure										R		
Utility company storage facility; must provide adequate screening										R		
Variety store									R			
Veterinary service									R	R		R
Video store				R					R			
Warehouse/storage facility, minor: mini-type do-it-yourself storage									R	R		
Water storage, other than private use									R			R
Water or sewage pumping station, other than private use									R			R

PERMITTED USES AND CONDITIONS	RS	RM1	RM2	BR	MHP	MHS	NB	MR	GB	I1	RVP	AG
Water recreation equipment rental, personal watercraft including skis, sail and motor boats, surf boards, surf sails, etc. provided that noise and all other disturbing aspects are controlled so operation of equipment will not unduly interfere with the use and enjoyment of properties in the surrounding areas				R				R	R			
Welding shop										R		
Well drilling company										R		
YMCA, YWCA and similar institutions									R	R		R

Table 4.02 (cont'd)

	Minimum Lot Area (Sq. Ft.)	Minimum Lot Width at Minimum Front Setback	Maximum Building Coverage
BR-1 and BR-2 Beach Resort			
Single-Family Dwelling	20,000	100'	56%
Two-Family Duplex	20,000	100'	56%
Multi-Family Dwelling	20,000	100'	56%
Hotel	20,000	100'	56%
NB Neighborhood Business			
Single-Family Dwelling	20,000	100'	56%
Two-Family Duplex	20,000	100'	56%
Patio Home, Cluster Home, Zero Lot Line home where the entire parcel will be of one housing type	5,000	50'	56%
Business	20,000	100'	56%
MR Marine Resort			
Single-Family Dwelling	9,000	75'	42%
Two-Family Duplex	10,500	75'	47%
Multi-Family Dwelling	20,000	100'	56%
Business	20,000	100'	56%
GB General Business			
Single-Family Dwelling	20,000	100'	56%
Two-Family Duplex	20,000	100'	56%
Multi-Family Dwelling	20,000	100'	56%
Business	20,000	100'	56%
I-1 Industrial			
Business	20,000	100'	56%
AG Agricultural			
Single-Family Dwelling	9,000	75'	42%
Two-Family Duplex	10,500	75'	47%
PUD Planned Unit Development	(See Article 7)		

* For the geographic area south of Alabama Highway 182, a waterfront lot is defined as having its seaward property line at mean high tide.

** When considering maximum lot coverage, impervious surfaces are not included. Only that portion of the lot covered by the footprint(s) of a building(s), as herein defined, is to be considered. When considering beachfront lots, the entire lot, including that portion south of the Construction Control Line (CCL) north to the Mean High Tide Line (MHTL), is to be counted in calculating the lot's size.

Bayshore Garage Parking Lot
Proposed Budget Phases 1 and 2

REVENUE:		
Parking		
54 Inside Parking	$8,961.70	54 inside parking @$165.95745 per year
40 Parking Outside	$6,638.30	40 outside parking @$165.95745 per year
TOTAL REVENUE	$15,600.00	
GROSS PROFIT	**$15,600.00**	
EXPENSES:		
EXPENSE - PROFESSIONAL SVC		
Insurance	$10,000.00	
TOTAL EXPENSES - PROFESSIONAL SVC	$10,000.00	
EXPENSES - CONTRACTED SVCS		
Blowing	$3,600.00	
Re-Striping	$2,000.00	
TOTAL EXPENSES - CONTRACTED SVCS	$5,600.00	
TOTAL EXPENSES	**$15,600.00**	
NET INCOME FROM OPERATIONS	**$0.00**	
OTHER INCOME & EXPENSE	0	
Reserve Fund	0	
NET INCOME (LOSS)	0	

Bayshore Towers Boat Slips

	Proposed		
	BUDGET		
REVENUE:			
Monthly Boat Slip Fees	$	16,900.00	26 boat slips
TOTAL REVENUE	$	16,900.00	
GROSS PROFIT			
EXPENSES:			
EXPENSES - PROFESSIONAL SVCS			
Insurance	$	7,500.00	
State Fees	$	1,000.00	
TOTAL EXPENSES - PROFESSIONAL SVCS	$	8,500.00	
EXPENSES - CONTRACTED SVCS			
Janitorial	$	2,400.00	
TOTAL EXPENSES - CONTRACTS SVCS	$	2,400.00	
EXPENSES - UTILITIES			
Separate Dumpster	$	3,600.00	
Water Usage	$	2,400.00	
TOTAL EXPENSES - UTILITIES	$	6,000.00	
TOTAL EXPENSES	$	16,900.00	
NET INCOME FROM OPERATIONS	$	-	
OTHER INCOME & EXPENSE			
Reserve Fund			
NET INCOME (LOSS)	$	-	

Proposed Bayshore Towers Boat Slips

SLIP NUMBER	NUMBER OF SLIPS	SLIP SIZE	LINEAR FT.	OWNERSHIP FACTOR PER UNIT	OWNERSHIP FACTOR PER UNIT TYPE	MONTHLY FEES PER UNIT	MONTHLY FEES PER UNIT TYPE	ANNUAL FEES PER TYPE	
1 to 10	10	12x24	24	0.031830	0.32	$45.13	$451.27	$5,415.22	
11 to 13	3	12.5x27	27	0.035830	0.11	$50.77	$152.30	$1,827.64	
14	1	14.5x27	27	0.043130	0.04	$50.77	$50.77	$609.21	
15	1	14.5x32.5	32.5	0.043130	0.04	$61.11	$61.11	$733.31	
16	1	16.5x37.5	37.5	0.050030	0.05	$70.51	$70.51	$846.13	
17 to 19	3	18x40	40	0.053130	0.16	$75.21	$225.63	$2,707.61	
20 to 22	3	12.5x27	27	0.035830	0.11	$50.77	$152.30	$1,827.64	
23 to 24	2	15.5x35	35	0.046530	0.09	$65.81	$131.62	$1,579.44	
25 to 26	2	13.5x30	30	0.039830	0.08	$56.41	$112.82	$1,353.81	
		W X L	754		1.00	$526.48	$1,408.33	$16,900.00	

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Exhibit K [Unit to which Parking Space(s)/Storage Units Allocations as Limited Common Elements]

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Bayshore Towers Boat Slips

Slip#	Size	Unit # Assigned
1	12 x 24	
2	12 x 24	
3	12 x 24	
4	12 x 24	
5	12 x 24	
6	12 x 24	
7	12 x 24	
8	12 x 24	
9	12 x 24	
10	12 x 24	
11	12.5 x 27	
12	12.5 x 27	
13	12.5 x 27	
14	14.5 x 27	
15	14.5 x 32.5	
16	16.5 x 37.5	
17	18 x 40	
18	18 x 40	
19	18 x 40	
20	12.5 x 27	
21	12.5 x 27	
22	12.5 x 27	
23	15.5 x 35	
24	15.5 x 35	
25	13.5 x 35	
26	13.5 x 30	

Exhibit H-1 [Percentage of Limited Common Elements]

OUTSIDE COVERED PARKING

Parking Space	Unit # Assigned	Storage Space Assigned
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		

TOWER I INSIDE PARKING

Parking Space	Unit # Assigned	Storage Space Assigned
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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21		
22		
23		
24		
25		
26		
27		