ARTICLES OF INCORPORATION

OF

PHOENIX VI ASSOCIATION, INC.

We, the undersigned natural persons acting as incorporators of a corporation under the Alabama Non-Profit Corporation Act, Section 10-3A-1, et seq., Code of Alabama (1975), and the Alabama Uniform Condominium At, Section 35-8A-101, et seq., Code of Alabama (1975), as amended, adopt the following Articles of Incorporation for such corporation.

FIRST: The name of the corporation is "Phoenix VI Association, Inc."

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

513530

THIRD: Purpose and Powers. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the apartment units and the common areas and facilities within that certain condominium known as "Phoenix VI, a condominium," and to promote the health, safety and welfare of the residents within said condominium, and for these purposes to:

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

2. Fix, levy, collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith and all office or other expenses incident to the conduct of business of the Association.

3. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

4. Borrow money, and with the assent of a majority of the votes entitled to be cast at a meeting of the Association, mortgage, pledgeor hypothecate any or all of its real or personal property as secured for money borrowed or debts incurred.

5. Maintain the above mentioned condominium, and all improvements located thereon, make payments on taxes, insurance, repairs, and any other expenses necessary to the maintenance of said property as a condominium, and pay operating expenses of every kind and character whatsoever, and any other expenses necessary therefor, or beautify and make other desirable improvements from time to time as this corporation shall deem best.

6. Transact all business being not for profit consistent with the purposes for which the corporation is organized, and the proceeds of all operations of the corporation to remain with the corporation, to be used in the payment of all indebtedness that may be incurred by the corporation and for such other purposes as may be lawful.

7. Exercise all of the authorities and powers given and granted to an association of unit owners under and pursuant to the provisions of the Condominium Ownership Act of Alabama, which a corporation organized under the Non-Profit Corporation Law of the State of Alabama by law may now or hereafter have or exercise.

FOURTH: Membership. This corporation shall issue no shares of stock of any kind or nature whatsoever. Every person or entity who is a record owner or fee or undivided fee interest in any apartment unit in Phoenix VI, a condominium, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any apartment unit which is subject to assessment by the Association. The members shall enjoy such qualifications, rights and voting rights as may be fixed in the Declaration of Phoenix VI, a condominium, and in the By-Laws of the corporation.

FIFTH: Registered Agent. The address of the initial registered office of the corporation is 26800 Perdido Beach Boulevard, Gulf Shores, Alabama, 36542, with a mailing address of Post Office Box 1727, Gulf Shores, Alabama, 36547, and the name of its initial registered agent at such address is Tillis M. Brett, whose physical address is 1090 Industrial Parkway, Saraland, Alabama, 36571.

SIXTH: Board of Directors. The number of directors constituting the initial Board of Directors of the corporation is three (3), and the names and address of the persons who are to serve as directors until the first annual meeting of its members or until their successors are elected and shall qualify are:

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

5. Maintain the above mentioned condominium, and all improvements located thereon, make payments on taxes, insurance, repairs, and any other expenses necessary to the maintenance of said property as a condominium, and pay operating expenses of every kind and character whatsoever, and any other expenses necessary therefor, or beautify and make other desirable improvements from time to time as this corporation shall deem best.

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

SEVENTH: Incorporation. The name and address of each incorporator is:

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

EIGHTH: Dissolution. The corporation is not organized for pecuniary profit and no part of its net earnings inure to the benefit of any member, director or individual. The corporation shall be dissolved upon the termination of the condominium in the manner provided in the Alabama Uniform Condominium Act, and by the manner provided by the Law of Alabama. Upon dissolution of the corporation, the assets of the corporation, if any, and all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively int he manner provided by the Condominium Ownership Act of Alabama.

It is understood and acknowledged by the Association and all members thereof, that these Articles are subject to the provisions of the U.S. Fish and Wildlife Permit.

Terms of Permit are Controlling. Every effort has been made to conform the other provisions of the declaration of condominium and the other subdivision documents to the terms and provisions of the incidental take permit; however, in the event of conflict, the terms and provisions of the incidental take permit take precedence over and control and terms and conditions of the declaration of condominium and all other association documents.

IN WITNESS WHEREOF, the subscribers hereto have set their hands and seals on this the 28th day of September, 1999.

Tillis M. Brett (SEAL)
TILLIS M. BRETT

Thomas E. Brett (SEAL)
THOMAS E. BRETT

William T. Robinson (SEAL)
WILLIAM T. ROBINSON, JR.

STATE OF ALABAMA)
)
COUNTY OF Mobile)

Before me, Debbie K. Cottrell, a Notary Public in and for said county in said State, personally appeared TILLIS M. BRETT, THOMAS E. BRETT and WILLIAM T. ROBINSON, JR., being known to me and who, being by me first duly sworn, depose and say that they are the initial incorporators of PHOENIX VI ASSOCIATION, INC., that they are authorized to make this verification as such initial subscribers of the corporation, and that the facts contained in the above and foregoing declaration are true and correct.

Given under my hand and seal this the 28th day of September, 1999.

NOTARY PUBLIC

My Commission Expires: May 23, 2001

THIS INSTRUMENT PREPARED BY:
Jule R. Herbert Jr.
Jule R. Herbert Jr., P. C.
Attorney at Law
P.O. Drawer 3889
Gulf Shores, AL 36547
(334) 968-4764

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

1999 September-29 3:59PM

Instrument Number 513531 Pages 68
Recording 170.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive
Adrian T. Johns, Judge of Probate

513531

DECLARATION OF CONDOMINIUM OF PHOENIX VI, A CONDOMINIUM

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DECLARATION OF CONDOMINIUM

OF

PHOENIX VI, A CONDOMINIUM

THIS DECLARATION, is made this the 28th day of September, 1999, by TILLIS M. BRETT, THOMAS E. BRETT and WILLIAM T. ROBINSON, JR., hereinafter called "DEVELOPERS," for their heirs, grantees and assigns.

WHEREIN, Developers make the following declaration; and

WHEREAS, Developers are the fee simple owners of that certain parcel of real property situated in the County of Baldwin, State of Alabama, and have improved said real property in the manner set out herein, which said parcel of land is more particularly described in Exhibit "A" attached hereto and incorporated herein as if fully set out.

NOW, THEREFORE, Developers hereby make the following declaration as to the division to which said real property and improvements thereon may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding upon Developers, their heirs and assigns, and all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executor, administrators, devisees or assigns.

DEFINITIONS

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

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

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

1.03. "ASSESSMENT" means proportionate share of the funds required for the payment of the Common Elements which from time to time may be levied against each Unit Owner.

1.04. "ASSOCIATION" means Phoenix VI Association, Inc., an Alabama not for profit corporation, and its successors, and is the corporation organized under the ACT.

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

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

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

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

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

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

1.11. "CONDOMINIUM" means Phoenix VI, a condominium, and consists of the Condominium Property submitted to the Condominium form of ownership by this Declaration.

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

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

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

1.15. "DEVELOPERS" mean Tillis M. Brett, Thomas E. Brett, and William T. Robinson, Jr.

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

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

1.18. "LIMITED COMMON ELEMENT" shall have the same meaning as is defined in the ACT and as set out in the Declaration.

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

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

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

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

1.23. "PLANS" mean the floor plans and elevations of the Condominium prepared by an independent registered engineer or registered architect, which are marked Exhibit "B" and attached hereto and expressly made a part hereof as though fully set out herein. The Plans are preceded by a certificate of completion executed by an independent registered engineer or registered architect in accordance with the ACT. It also certifies that the Plans contain all the information required by the ACT.

1.24. "REAL PROPERTY" means the Real Property which is submitted to the Condominium form of ownership as provided for herein.

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

1.26. "UNIT" or "PRIVATE ELEMENT" shall have the same meaning as "Unit" is defined in the ACT. The Units are designated on the Plans.

1.27. "UNIT OWNER" means the Owner of a Unit.

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

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

NAME

The name by which this condominium is identified is PHOENIX VI, a condominium.

THE REAL PROPERTY

The lands owned by the Developers, which are herewith submitted to the condominium form of ownership, are the following described lands, lying and being in the County of Baldwin, State of Alabama, which are attached hereto as Exhibit "A."

PURPOSE

The purpose of this Declaration is to submit the lands hereinafter described and the improvements constructed thereon to the condominium form of ownership and use in the manner provided by the Alabama Uniform Condominium Act § 35-8A-101, et seq., Code of Alabama (1975).

DEVELOPMENT PLAN

5.01. Improvements. The improvements are as shown upon the plans thereof, as recorded as Instrument No. 513538 in the records of the Judge of Probate of Baldwin County, Alabama, which plans were prepared by John M. Senkarik, A.I.A., including a set of floor plans of the building showing the lay-out, location, the designating letters and numbers of each unit, as well as his verified statement, attached hereto as Exhibit "B,"that such plans have been cômpleted and are in sufficient detail to identify the common elements and the private elements comprising the units as built and which said plans are supplemented and complimented by the narrative and the graphic descriptions herein contained.

5.02. Changes. In order to meet the possible unforeseen or varying demands for the number and type of unit, or in order to meet particular requirements of prospective purchasers, lending institutions or title insurance companies, or for any other reason, the Developers reserve the right to change the size, dimensions, number and location of buildings, units and other improvements, and the size, dimensions, lay-out location and undivided percentage of ownership in the common elements of any unit for which a purchase agreement has not been executed by the Developer or with respect to which the purchaser is in default, provided such changes do not change the common elements of any unit already sold or under an executed purchase and sale agreement as to which the purchaser is not in default. The Developer further reserves the right to substitute for any of the materials, equipment and other articles herein mentioned, materials, equipment and articles of equal or better quality.

5.03. Amendment of Plans. This Declaration may be amended by the filing of such additional plans as may be required to accurately describe the improvements or the condominium and in order to show completion of improvements. Such completion may be shown by the filing of a verified statement of a registered architect or licensed professional engineer certifying that the completed improvements have been constructed as herein represented and upon the plans herewith filed, or, if not so constructed, then designating the changes made and certifying that the plans being filed simultaneously with such certificate fully and accurately depict the lay-out, location, numbers, size and dimensions of the units. Such plans or certificate, or both, when signed and acknowledged by such a registered architect or licensed professional engineer, and by the Developers, shall constitute an amendment to this Declaration without approval of the Association, whether or not elsewhere required for an amendment.

5.04. Easements. Easements are reserved throughout the condominium property as may be required for utility services in order to adequately serve the condominium; provided, however, such easements to a unit shall be only in accordance with the plans and specifications for the buildings or as the buildings are constructed, unless approved in writing by the unit owner. Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units and located in such unit. The Association shall have a right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in any building. There is a 10 foot wide non-exclusive easement for the purpose of ingress to allow beach access by previous property owners, as set out in Exhibit "A," item 14 to the exceptions stated therein. Under the terms of the Federal Fish and Wildlife Permit, attached as Exhibit "E,." the access will be across the boardwalks in place.

5.05. Access. Each unit has a right of access to a public street or highway, that is to say Perdido Beach Boulevard (a/k/a Highway 182), upon and over common elements, providing such access all as shown upon the site plan (Attached hereto as part of Exhibit "B"). the immediate common elements by which each unit has access to such public street or highway are: (i) the concrete walkways running along the face of the buildings and ground; and (ii) the parking area, driveways and streets all as shown upon the site plant (Attached hereto as part of Exhibit "B").

DESCRIPTIONS

6.01. The Building. The condominium will include access areas, parking areas, parking garages, lawn areas, swimming pools, tennis courts and gazebos.

6.02. Private Elements. The description of the private elements and the appurtenances thereto are determined with the aid of the plans therefore, attached hereto, and as follows:

a) Units Numbered. Each unit is assigned a number which is indicated on the drawings attached hereto as part of Exhibit "B" to this Declaration. With the exception of Unit 01, 02, M1 and type P units, the first letter or number designates the floor number on which the unit is located. The basement floor is designated by the letter "B." There is no floor numbered 13.

b) Changes. The Developers reserve the right to change the interior design and arrangement of all units so long as the Developers own the unit so altered.

c) Type A. Unit Type A is a three (3) bedroom, two (2) bath unit containing a kitchen, living and dining area combination with approximately 1,394 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

d) Type C. Type C is a one (1) bedroom, one (1) bath unit containing a kitchen, living and dining area combination with approximately 801 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

e) Type D. Type D is a three (3) bedroom, two (2) bath unit containing a kitchen, living and dining area combination with approximately 1,392 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

f) Type E. Type E is a two (2) bedroom, two (2) bath unit containing a kitchen, living and dining area combination with approximately 1,064 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

g) Type F. Type F is a three (3) bedroom, two (2) bath unit containing a kitchen, living and dining area combination with approximately 1,395 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

h) Unit 01. Unit 01 is designated as a six (6) office, two (2) bath unit with a conference room with approximately 293 square feet of heated and cooled area, complete with carpet, vinyl flooring and window blinds.

i) Unit 02. Unit 02 is designated as the main lobby, consisting of two (2) offices and the service counter with approximately 552 square feet of space and carpeted flooring.

j) Parking Spaces. Private parking spaces in the private parking garages are designated as Type "P" Units.

k) Unit M1. Unit M1 is an unfinished concrete area consisting of floors, walls and ceilings containing approximately 1,003 square feet. The owner can improve the area if desired. This area is to be used primarily for maintenance operations.

l) Unit 109. Unit 109 is a one (1) bedroom, two (2) bath unit, containing a kitchen, living and dining area combination with approximately 1,045 square feet of heated and cooled area not including the open balcony. The unit comes complete with carpet, vinyl flooring, wallpaper in designated area, window blinds, range, dishwasher, refrigerator, washer and dryer.

6.03. Common Elements. The common elements of the condominium includes all parts of the condominium property not located within the perimeter boundaries of the apartment units, as hereinafter described, being the facilities located substantially as shown upon the plans hereto attached, and include but are not limited to the following:

a) The land described in Exhibit "A" attached hereto, subject to the exceptions set out therein.

b) All central and appurtenant installations for services such as power, light, telephone, storm drains, sewer and water, television cables, heat and air conditioning, including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units, and all utility and mechanical equipment, buildings and spaces, which are not used or reserved for the exclusive use of certain units.

c) Automobile parking spaces in the parking areas, but not including those located in the underground parking garage.

d) All outdoor and exterior lights.

e) Balconies and decking.

f) All attics, foundations, columns, girders, beams, and supports of buildings, and such component parts of walls, roofs, floors and ceilings as are not located within the units.

g) Lawn areas, landscaping, trees, curbs and walkways.

h) Recreation areas and facilities, including but not limited to, the swimming pool, sun deck, whirlpools, saunas, racquetball courts, tennis courts, meeting rooms, public restrooms, lobby and reception area, gazebos, guard house and locker room area.

i) Exterior steps, ramps, handrails, stair and stairwells.

j) All tanks, pump houses, wells, motors, fans, compressors and control equipment, fire fighting equipment, garbage equipment, elevators and equipment which are not reserved for the use of certain units.

k) All retaining walls, seawalls, bulkheads and jetties, and all areas for refuse collection or disposal.

l) All other parts of the development existing for the common use or necessary to the existence, maintenance and safety of the development.

m) All other items listed as such in the Alabama Uniform Condominium Act, and located on the Property.

6.04. Limited Common Elements. The limited common elements include the following Storage Room areas located on the following floors:

a) West Storage Room on Floors 3, 5, 6, 8, 9, 11, 12 and 15.

b) Center Storage Room on Floors 5, 6, 8, 9, 11, 12 and 15.

c) East Storage Room on Floors 3, 5, 6, 8, 9, 11, 12 and 15.

The use of these storage rooms identified above and as shown on the plans attached as part of Exhibit "B" is allocated exclusively to the owner of Unit 01.

d) All other items listed as such in the Alabama Uniform Condominium Act.

6.05. Unit Boundaries. Each unit consists of that part of the building containing the unit which lies within the boundaries of the unit, exclusive of interior load-bearing walls and pillars and any pipes, wires, conduits, ducts, vents and other servicing utility lines which are utilized for or serve more than one (1) condominium unit. The vertical boundaries of each unit shall be the plane of the inside surfaces of the studs which are the component parts of the exterior walls and of interior walls separating a unit from another unit, and are as shown on the drawings in Exhibit "B" attached hereto. Where the unit is bounded by an exterior wall, the walls shall be considered to include any door, window or other closure therein in the closed position, and the boundary shall be the plane of the inside surfaces of the studs which are the component parts of such walls to the effect that the private elements of the boundary walls shall include the surfacing materials. The upper horizontal boundary of each unit shall be the plane of the under surfaces of the ceiling slabs. The lower horizontal boundary of floors of the units shall be the upper surfaces of the floor slab.

6.06. Surfaces. An owner shall not be deemed to own the studs and structural components of the perimeter walls and/or of load-bearing walls, nor the windows and doors bounding the unit, nor balconies, nor balcony railings enclosing a balcony area assigned to the exclusive use of the unit. An owner, however, shall be deemed to own and shall have the exclusive right and duty to repair, maintain, replace, paint, repaint, tile, wax, paper or otherwise finish and decorate the surfacing materials on the interior of the exterior walls and on the interior walls separating a unit from other units, and, the surfacing materials of the floors of his unit, and all appurtenant installations, including all pipes, ducts, wires, cables and conduits used in connection therewith for services such as power, light, telephone, sewer, water, heat, air conditioning and television, whether located in the boundaries of the unit or in the common areas, which are the exclusive use the unit; and all ceilings and partition walls. An owner shall have the exclusive right and duty to wash and keep clean the interior and exterior surfaces of windows and doors bounding his unit.

DETERMINATION OF PERCENTAGES OF OWNERSHIP IN COMMON ELEMENTS, COMMON SURPLUS AND VOTING

7.01. Ownership and Voting Percentages. A schedule setting forth the percentage of undivided interest of each unit in the common areas is attached hereto, marked Exhibit "C" and by reference made a part hereof. The formula to determine the percentage of ownership in the common elements is also shown on Exhibit "C." The common expenses shall be charged to the unit owners according to the formula shown on Exhibit "C-1." The formula to determine the percentage of common surplus and voting in all matters requiring action by the owners is shown on Exhibit "C-1." The common surplus shall be a trust fund for the unit owners according to the respective units' ownership in the common elements or applied against the following year's assessment, unless otherwise determined by the Board of Directors of the Association, which shall not in any event use such surplus or any part thereof in any way other than to furnish services, insurance, goods or other items of value to the unit owners.

ENCROACHMENTS

If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same so long as such building stands shall exist. In the event any building, any unit, any adjoining unit, or any adjoining common element shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such building shall stand.

UNITS SUBJECT TO ACT, DECLARATION, BY-LAWS AND RULES AND REGULATIONS

All present and future owners, tenants and occupants of units shall be subject to and shall comply with the provisions of the Act, this Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any unit shall constitute an agreement that the provisions of the Act, this Declaration, the By-Laws and the Rules and Regulations, as may be amended from time to time, are accepted and ratified by such owner, tenant and occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at ant time any interest of estate in such unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order of the preference: (i) the Act; (ii) the Declaration; (iii) the Articles of Incorporation of the Association; (iv) the By-Laws of the Association; and (v) the Rules and Regulations of the Association.

9.01. Exclusive Ownership. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner shall be entitled to an undivided interest in the common elements in the percentages expressed in this Declaration, which percentages of undivided interest of each owner shall have a permanent character and shall not be altered without the consent of all owners and lien holders of record of units affected by such alterations expressed in an amended Declaration, duly recorded. The percentage of the undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described int he conveyance or other instrument. Each owner may use the common elements in accordance with the purposes for which the same are intended, without hindering or encroaching upon the lawful rights of the other owners.

9.02. Enforcement. Failure of any owner to comply strictly with the provisions of this Declaration, the By-Laws and the Rules and Regulations shall be grounds for an action to recover sums due, or damages, or injunctive relief, or any or all of them. Such actions may be maintained by the Association on its own behalf or on behalf of the unit owners aggrieved. In any case of flagrant or repeated violation by a unit owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with the provisions of this Declaration, the By-Laws and the Rules and Regulations. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved unit owner for such relief.

MAINTENANCE

The responsibility for the maintenance of the condominium property shall be as follows:

10.01. Units:

a) By the Association. The responsibility of the Association shall be as follows:

i) To maintain, repair and replace all portions of a unit, except interior surfaces and surfacing materials, contributing to the support of the building, which portions shall include but not be limited to the outside walls of the building and all fixtures thereon, and boundary walls of units, floors, load-bearing columns and load-bearing walls.

ii) To maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a unit maintained by the Association, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

iii) To maintain and replace all balconies and balcony railings.

iv) To repair all incidental damaged caused to a unit in the performance of any of the foregoing work.

b) By the Unit Owner. The responsibility of the unit owner shall be as follows:

i) To maintain, repair and replace all portions of his unit except the portions to be maintained, repaired and replaced by the Association.

ii) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building and/or the exterior of the balconies assigned to the exclusive use of the unit owner, and/or the exterior of the balcony area assigned to the exclusive use of the unit owner.

iii) To maintain the surfacing materials within the unit.

iv) To maintain, repair and replace the heating, air conditioning, utility and mechanical equipment, and all sewer and water lines including all pipes, ducts, wires, cables and conduits used in connection therewith, which are for the exclusive use of his unit, whether or not located within the boundaries of his unit.

v) To maintain, repair and replace the interior appurtenances of his unit, including but not limited to the floor coverings, wall coverings, window shades and screens, draperies, furniture, furnishing light fixtures, and all appliances located therein.

vi) To promptly report in writing to the Association any defect or need for repairs, the responsibility for the remedying of which is that of the Association.

vii) To be responsible for the cost of all incidental damage caused to the common elements in the performance of the foregoing work.

c) Alteration and Improvement. Neither a unit owner nor the Association shall make any alterations in the portions of a unit or building which are to be maintained by the Association, or to remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining approval in writing of the owners of all other units in the building concerned and the approval of the Board of Directors of the Association.

10.02. Common Elements.

a) By the Association. The maintenance and operation of the common elements shall be the responsibility and the expense of the Association.

b) Additions, Alterations and Improvements. After the completion of the improvements included in the common elements which are contemplated by this Declaration, there shall be no further additions to common elements (except by incremental development as elsewhere herein provided) without the prior approval in writing of seventy-five percent (75%) of votes of the unit owners, and the approval in writing of the mortgagees who are the holders of mortgages comprising first liens on the units so approving, provided, however, that any alteration or improvements of common elements which constitute or are contained in the boundaries of units bearing the approval in writing of unit owners entitled to cast fifty-one percent (51%) of the votes in the Association, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens on the units of such approving unit owners and which does not prejudice the rights of any owners not consenting, may be done if the owners who do not approve are relieved from the initial cost thereof. There shall be no change in the share and rights and obligations of a unit owner in the common elements which are altered or further improved, whether or not the unit owner contributes to the initial costs thereof. Any such alteration or addition shall be done in accordance with complete plans and specifications therefor first approved in writing by the Board; and promptly upon completion of such additional building or structural alteration or addition to any structure, the Association shall duly record or file of record in the Office of the Judge of Probate of Baldwin County, Alabama, such amendment, together with a complete set of plans of the condominium, as so altered, certified "as built" by a licensed or registered engineer or architect.

ASSESSMENTS

The making and collection of assessments against unit owners fro common expenses and other charges shall be pursuant to the By-Laws and subject to the following provisions:

11.01. Share of Common Expenses and Other Charges. Each unit owner shall be liable for a share of the common expenses and other charges, such share being determined by the formulas referred to as set out in paragraph 7.01. herein.

11.02. Interest, Application of Payments. Assessments, and installments thereon, paid on or before ten (10) days after the date when due shall not bear interest, but to all sums not paid on or before ten (10) days after the date when due shall be added a $15.00 penalty and interest at the rate of ten percent (10%) per annum after date due until paid.

11.03. Liens for Assessments. The Association is hereby granted a lien upon each unit and its appurtenant undivided interest in common elements, which lien shall secure and does secure the moneys due for all assessments now or hereafter levied or subject to being levied against the owner of each unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said unit and its appurtenant undivided interest in the common elements. The said lien for non-payment of assessments shall have priority over all other liens and encumbrances, recorded or unrecorded, except only: i) tax lien on the unit in favor of the state, the county, any municipality and any special district; and ii) all sums unpaid on a first mortgage of record. In any suit for the foreclosure of said lien, the Association shall be entitled to rental from the owner of any unit from the date on which the payment of any assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said unit without notice to the owner of such unit. The rental required to be paid shall be equal to the rental charged on comparable types of dwelling units in Gulf Shores, Alabama. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate of ten percent (10%) per annum on any such advances made for such purposes. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association.

11.04. Rental Pending Foreclosure. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit.

11.05. No Exemption from Assessments. No owner of a unit may exempt himself from liability for contribution toward the common expenses and other charges by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit, or by any other means; except that any holder of a mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed in lieu of foreclosure shall take the property free of any claims for unpaid assessments against the mortgaged unit which accrue prior to the time such holder comes into possession (except for claims for a pro rata share of such assessments resulting from a pro rata allocation of such assessment to all units including the mortgaged unit) and shall not be liable for contribution toward common expenses and other charges until the subject unit shall be been leased or sold.

11.06. Statement of Unpaid Assessments. The Association shall promptly provide any unit owner and/or the holder of a mortgage comprising a first lien on any unit or the grantee in any voluntary conveyance of a unit so requesting the same in writing with a written statement of all unpaid assessments due from the unit owner.

ASSOCIATION

The operation and administration of condominium shall be by the Association of the unit owners, pursuant to the provision of the Alabama Uniform Condominium Act, which said Association shall be incorporated by the Articles of Incorporation recorded in the Office of the Judge of Probate of Baldwin County, Alabama. The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or non-exercise of its powers. It shall have authority and the power to maintain a class action and to settle a cause of action on behalf of unit owners of the condominium of the condominium with reference to the common elements, the roof and structural components of a building or other improvements, and mechanical, electrical and plumbing elements serving in improvement or a building as distinguished from mechanical elements serving only a unit, and with reference to any and all other matters in which all the unit owners of the condominium have a common interest. The Association shall be further organized and shall fulfill its functions pursuant to the following provisions.

12.01. Name. The name of the Association shall be Phoenix VI Association, Inc.

12.02. Powers. The powers and duties of the Association shall include those set forth in the Alabama Uniform Condominium Act, and attached hereto as Exhibit "D" and made a part hereof, and those set forth in its Articles of Incorporation, and shall have the power to purchase a unit of the condominium. The powers of the Association shall included but not be limited to the maintenance, management and operation of the condominium property.

12.03. Members:

a) Qualification. The members of the Association shall consist of all of the record owners of units.

b) Change of Membership. Change of membership in the Association shall be established by the recording in the Public Records of Baldwin County, Alabama, of a deed or other instrument establishing a record title to a unit in the condominium, and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

c) Voting Rights. Each unit shall be entitled to one (1) vote, which vote shall be the percentage assigned to the unit as stated in Exhibit "C-1" attached hereto. The vote for a unit shall be cast by the owner thereof or the owner of possessory interest therein, or in the case of a corporate owner, by the officer or employee thereof designated as the voting representative of such unit, as hereinafter provided, owners of more than one 91) unit shall be entitled to a vote for each unit owned. However, should the Association be a unit owner, it shall not have the voting rights for that unit.

d) Designation of Voting Representative. In the event a unit is owned by one (1) person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, the officer or employee thereof entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one (1) person or by a corporation, the membership or vote of the unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the unit. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned is effected. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof.

e) Approval or Disapproval by Unit Owners. Whenever the approval or disapproval of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such approval or disapproval shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of all record owners is specifically required by this Declaration.

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

12.04. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than eight (8) as shall from time to time be determined and fixed by a vote of a majority of the voting rights present in any annual meeting of the members.

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

12.06. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage caused by a latent condition of the property to be maintained and repaired by the Association, nor for the injury or damage caused by the elements, or other owners or persons.

12.07. By-Laws. The By-Laws of the Association shall be in the form attached hereto as Exhibit "D."

INSURANCE

Insurance (other than title insurance) which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

13.01. Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association in the name of the Association as trustee for each of the unit owners in the percentages of ownership set forth in the Declaration, and their mortgagees as their interest may appear, and provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of unit owners. Such policies shall be deposited with the Association. A unit owner may, at his own expense, additionally insure his own unit for his own benefit, provided such additional insurance upon his unit be placed with the Association's insurance agent; and provided, further than any diminution in insurance proceeds to the Association resulting from the existence of such other insurance shall be chargeable to the owner who acquired such other insurance; who shall be liable to the Association to the extent of any such diminution and/or loss of proceeds. A unit owner may obtain at his own expense insurance coverage upon his own personal property, and such other coverage, including person liability, as he may desire.

13.02. Coverage:

a) Casualty. The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, the property insurance required by the ACT for condominium structures with horizontal boundaries. All buildings and improvements upon the land and all personal property comprising the condominium property shall be insured with a single insurance agent in an amount sufficient to avoid application of a co-insurance clause, but not without deduction for depreciation, as determined annually by the Board of Directors of the Association. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild.

i) Loss or Damage by Fire. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

ii) Such Other Risks. Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location ad use as the buildings on the land, including but not limited to water damage, vandalism, and malicious mischief, and flood insurance.

b) Public Liability. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association.

c) Workmen's Compensation Policy. Workmen's compensation policy if needed to meet the requirements of the law.

d) Other Insurance. The Board may purchase and maintain in force debris removal insurance, fidelity bonds, and other insurance an/or bonds as it may deem necessary. The Board is authorized to provide coverage for payment of maintenance charges on behalf of an owner whose unit is rendered uninhabitable by a peril insured against, and to absolve such an owner of the obligation to pay maintenance charges to the extent that the same are offset by proceeds from such coverage.

e) Revision. Insurance coverages will be analyzed by the Board or its representative, at least every five (5) years from the date hereof, and the insurance program revised accordingly.

13.03. Provisions. Every such policy of insurance shall in substance and effect:

a) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any apparent owner.

b) Contain no provision relieving the insurer from liability for a loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Association, or because of any breach or warranty or condition or any other act or neglect by the Association or any unit owner or any other person under either of them.

c) Provide that such policy may not be cancelled (whether or not requested by the Association) except by the insurer giving at least thirty (30) days prior written notice thereof to the Association, the fee owner, and every other person in interest who shall have requested such notice of the insurer.

d) Contain a waiver by the insurer of any right of subrogation to any right of the Association or either against the owner of lessee of any unit; and

e) Contain a standard mortgage clause which shall:

i) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any unit, whether or not named therein; and

ii) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Association or unit owners or any persons under any of them; and

iii) Waive any provision invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause.

13.04. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

13.05. Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as the interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association, as Trustee for each of the unit owners in the percentages established by the Declaration, which said Association, for the purpose of these provisions, is herein referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees, as follows:

a) Common Areas and Facilities. Proceeds on account of damage to common areas and facilities -- an undivided share for each unit owner, such share being the same as his undivided share in the common areas and facilities appurtenant to his unit.

b) Units. Proceeds on account of units shall be held for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Association.

13.06. Distribution of Proceeds. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees, being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

13.07. Association as Agent. The Association is hereby irrevocably appointed as agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

RECONSTRUCTION OR REPAIR AFTER CASUALTY

In the event of the damage or destruction of all or part of the property, then, unless it be determined by a vote of one hundred percent (100%) of the owners and one hundred percent (100%) of all record owners of liens on the units not to repair or reconstruct such damaged or destroyed property, the following provisions shall apply:

a) Reconstruction or Repair. If any part of the condominium property shall be damaged by casualty, it shall be reconstructed or repaired.

b) Building.

i) Partial Destruction. If the damaged improvement is part of a building, the damaged property shall be reconstructed or repaired.

ii) Total Destruction. If a building is so damaged that the same is untenantable, the building should be reconstructed.

c) Plans and Specifications. Any such reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to plans approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld.

14.02. Responsibility. If the damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of a unit owner, then the unit owner shall be responsible for the reconstruction and repair after casualty. In all other instances, the responsibility for reconstruction and repair after casualty shall be that of the Association.

14.03. Estimates of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

14.04. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds to pay the estimated costs. If at any time during the reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessment against unit owners from reconstruction and/or repair of damages to units shall be in proportion to the cost of reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the owner's share in the common areas and facilities.

14.05. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessment against unit owners, shall be disbursed in payment of such costs in the following manner:

a) Association. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Association from collections of assessments against the unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

i) Unit Owner. The portion of insurance proceeds representing damage for which responsibility of reconstruction and repair lies with the unit owner shall be paid by the Insurance Trustee to the unit owner, or if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly.

ii) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided for the reconstruction and repair of major damage.

iii) Association - Major Damage. If the amount of estimated costs of reconstruction and repair which is the responsibility of the Association is more than the total of the annual assessments for recurring expenses to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Alabama, and employed by the Association to supervise the work.

iv) Surplus. It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided.

USE RESTRICTIONS

The use of the property of the condominium shall be in accordance with the following provisions:

15.01. Single Family Residences. The condominium property shall be used only for single family residences, and for the furnishing of services and facilities herein provided for the enjoyment of such residences. Each of the units shall be occupied only by a single family and its guests as a residence and for no other purpose.

15.02. Nuisances. No nuisances shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

15.03. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

15.04. Leasing. After approval by the Association as elsewhere required, entire units may be rented provided the occupancy is only by the lessee and his family and guests. No individual rooms may be rented and no transient tenants may be accommodated.

15.05. Rules and Regulations. Reasonable Rules and Regulations concerning the use of the condominium property may be made by the Developer and amended from time to time by the Board of Directors of the Association; provided, however, that all such amendments thereto shall be approved by not less than a majority of the votes of the Association before such shall become effective. Members not present at meetings considering such Rules and Regulations or amendments thereto may express their approval or disapproval in writing. Copies of such Rules and Regulations or amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request.

MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents, preserve the financial stability of the condominium regime and protect the value of the units, the transfer of condominium parcels by any owner other than the Developer shall be subject to the following provisions so long as the condominium shall exist:

16.01. Transfers Subject to Approval.

a) Sale. No unit owner may dispose of a condominium unit or any interest therein by any sale without approval of the Association, except to another unit owner.

b) Lease. No unit owner may dispose of a condominium unit or any interest therein by lease without approval of the Association, except to another unit owner.

c) Gift. If any unit owner shall acquire his title by gift, the continuance of his ownership of his condominium unit shall be subject to the approval of the Association.

d) Devise or Inheritance. If any owner shall acquire his title by devise or inheritance, the continuance of his ownership of his condominium unit shall be subject to the approval of the Association.

e) Other Transfers. If any unit owner shall acquire his title by any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his condominium unit shall be subject to the approval of the Association.

16.02. Approval by Association. The approval of the Association which is required for the transfer of the condominium units shall be obtained in the following manner:

a) Notice to Association.

i) Sale. A unit owner intending to make a bona fide sale of his unit or any interest therein shall give to the Association at least thirty (30) days written notice of such intention, together with the name and address if the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require.

ii) Lease. A unit owner intending to make a bona fide lease of his unit or any interest therein shall give to the Association notice of such intention, together with the name and address of the intended lessee, and such other information concerning the lessee as the Association may reasonably require, and an executed copy of the proposed lease.

iii) Gift, Devise or Inheritance; Other Transfers. A unit owner who has obtained his title by gift, devise, or inheritance, or by any other manner not heretofore considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the unit owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

iv) Failure to Give Notice. If the notice to the Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association, at its election and without notice, may approve or disapprove the transaction or ownership. If the Association disapproves the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

b) Certificate of Approval.

i) Sale. If the proposed transaction is a sale, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the purchaser.

ii) Lease. If the proposed transaction is a lease, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the lessee.

iii) Gift, Devise or Inheritance; Other Transfers. If the unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the continuance of the unit owner's ownership of his unit. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the unit owner.

c) Approval of Corporate Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes, and a corporation cannot occupy a unit for such use, if the unit owner or purchaser of a unit is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons to use or occupy the unit be also first approved by the Association.

16.03. Disapproval by Association. If the Association shall disapprove a transfer of a unit; the matter shall be disposed of in the following manner:

a) Sale. If the proposed transaction is a sale, then within sixty (60) days after notifying the unit owner of such disapproval, the Association shall deliver or mail by certified mail to the unit owner an offer to purchase either by the Association or by a purchaser approved by the Association, and to whom the unit owner must sell the unit upon the following terms:

i) At the option of the purchaser to be stated in his offer, the price to be paid shall be that stated in the disapproval contract to sell, or if less, then the fair marker value, determined by arbitration in accordance with the existing rules of the American Arbitration Association, who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance of the sale upon any award of rendered by the arbitrators may be entered in a court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

ii) The purchase price shall be paid in cash.

iii) If the Association shall fail to purchase or to provide a purchaser as herein required, then notwithstanding the disapproval, such transfer of ownership shall be deemed to have been approved, and the Association shall furnish a certificate of Approval as elsewhere provided.

16.04. Unit Mortgage. No unit owner may mortgage his unit nor any interest therein without the approval of the Association except to a bank, life insurance company, a savings and loan association or the Federal National Mortgage Association, like governmental groups or assigns. The approval of any other mortgage may be upon conditions determined by the Association or may be arbitrarily withheld.

16.05. Blanket Mortgage. Notwithstanding any other provisions of this Declaration or the By-Laws, the entire condominium property or some or all of the unit included therein may be subjected to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument executed by all of the owners of the property or units covered thereby. The instrument creating any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit from the lien of such a mortgage, and a satisfaction and discharge in recordable form, upon payment to the holder of the mortgage of a sum equal to the proportionate share attributable to his unit of the then outstanding balance of unpaid principal and accrued interest and any other charges then due and unpaid, which proportionate share attributable to each unit shall be the proportion in which all unit owners whose units are then subject to the lien of such mortgage own among themselves the common elements and the private elements as provided in the Declaration, or such other reasonable proportion as shall be specifically provided in the mortgage instrument; and such mortgage may contain provisions for converting the same to individual mortgages on the individual units included therein.

16.06. Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or purchase by any holder of the mortgage which comes into possession and title of his unit as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, or deed from the mortgagor in lieu of foreclosure, nor shall such provisions apply to a transfer, sale or lease by such holder of the mortgage which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquired the title to his unit at a duly advertised public sale with open bidding as may be provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

16.07. Unauthorized transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

16.08. Notice of Lien or Suit.

a) Notice of Lien. A unit owner shall give notice to the Association of every lien upon his unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the owner's receipt of notice thereof.

b) Notice of Suit. A unit owner shall give notice to the Association of every suit or other proceeding which may affect the title of his unit, such notice to be given within five (5) days after the unit owner receives knowledge thereof.

c) Failure to Comply. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

COMPLIANCE AND DEFAULT

Each unit owner shall be governed by and shall comply with the terms of the condominium documents and regulations they may be amended from time to time. A default shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Ownership Act:

17.01. Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances.

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

17.03. No Waiver of Rights. The failure of the Association or any unit owner to enforce any covenant, restriction or other provision of the Condominium Ownership Act, this Declaration, the By-Laws or the Rules and Regulations shall not constitute a waiver of the rights to do so thereafter.

COVENANT AGAINST PARTITION

There shall be no judicial or other partition of the project or any part thereof, nor shall Developer or any person acquiring any interest in the project or any part thereof seek any such partition unless the project has been removed from the provisions of the Condominium Ownership Act, as in said Act provided.

AMENDMENT

This Declaration of Condominium and the By-Laws of Phoenix VI Association, Inc., may be amended in the following manner:

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

19.02. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by members having not less than ten percent (10%) of the total percentage values of those votes entitled to be cast at a meeting, and after being so proposed and thereafter approved by one (1) of such bodies, it must then be approved by the other to become effective. Directors and members not present at the meeting considering the amendment may express their approval or disapproval in writing provided such approval or disapproval is delivered to the Secretary at or prior to the meeting. Such approvals must be not be by less than a majority of the Directors and by not less than two-thirds (2/3) of the votes of the Association; provided, however, that any such amendment shall have been approved in writing by all mortgagees who are the holder of the mortgages which liens on the units of the approving owners; and provided, further, that every amendment that alters the percentage of undivided interest of an owner in the common areas and facilities or that alters or impairs any common area and facility or any easement or hereditament shall require the unanimous approval of all such owners and all such mortgagees.

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

19.04. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners, including first mortgagees, of units in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

19.05. Proviso. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units, nor change any condominium unit nor increase the owner's liability for common expenses unless the record owner thereof and all record owners of liens thereon shall join in the execution of the amendment.

19.06. Provisions Pertaining to the Developer.

Subject to the provisions herein, until the earliest of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than the Developer; (ii) two (2) years after the Developer, its successors or assigns, have ceased to offer Units for sale in the ordinary course of business; or (iii) two (2) years after any Development Right to add new units was last exercised, the By-Laws and rules adopted by the Developer shall govern and the Developer shall have the exclusive right to appoint, remove, and designate the officers and members of the Board of Directors (which need not be Unit Owners), and neither the Unit Owners nor the Association nor the use of the Condominium Property by Unit Occupants shall interfere with the completion of the contemplated improvements and the sale of the Units. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board; but, in that event, the Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective. Provided, however, not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Developer, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Unit Owners other than the Developer. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than the Developer, not less than thirty-three and one-third percent($33\frac{1}{3}$ %) of the members of the Board must be elected by Unit Owners other than the Developer. Except as provided for in the ACT, not later than the termination of any period of Developer control, the Unit Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Unit Owners other than the Developer.

The Developer may make such use of the unsold Units and of the common areas and facilities as may facilitate such completion and sale, including but not limited to showing of the Property and the display of signs. The Developer may maintain sales offices, management offices, leasing and operations offices, and models in any Unit of the Condominium or on Common Elements in the Condominium without restriction as to the number, size, or location of said sales offices, management offices, leasing and operations offices, and models. The Developer shall be permitted to relocate said sales offices, management offices, leasing and operations offices, and models from one Unit location to another or from one area of the Common Elements to another area of the Common Elements in the Condominium. The Developer may maintain signs on the Common Elements advertising the Condominium. The rights of the Developer as provided for in this paragraph shall cease and terminate ten (10) years from the date of the recording of this Declaration in the Office of the Judge of Probate of Baldwin County, Alabama.

PROPORTIONATE CHANGES IN COMMON EXPENSES, COMMON SURPLUS AND VOTING RIGHTS

In the event of any one or more of the units are not rebuilt by reason of the loss of lands as a result of destruction, condemnation or otherwise, and therefore the number of units is reduces, or in the event the number of units is reduced because of its lien as heretofore provided, or an entity has acquired title to a unit as a result of owning a mortgage upon the unit concerned, whether by deed from the mortgagor or through foreclosure proceedings, then the proportionate share of the common expenses and of the common surplus and the voting rights of each unit shall be increased by adding to each remaining unit their proportionate percentages of ownership out of the percentages of ownership of the units so reduced.

TERMINATION

The condominium may be terminated in the manner provided by the Alabama Uniform Condominium Act; provided, however, that in the event of termination, each unit shall be subject to the payment of a share of the common expenses as heretofore defined, subject to increase as provided in Paragraph 20 hereof.

EMINENT DOMAIN

22.01. Partial Taking Without Direct Effect on Units. If part of the condominium shall be taken or condemned by any authority having the power of eminent domain in such manner that no unit is taken, compensation and damages for and on account of the taking of the common elements, exclusive of compensation for consequential damages to affected units shall be payable to the Association as Trustee for all unit owners and mortgagees of record according to the loss or damages to their respective interests in the common elements. The Association, acting through its Board of Directors, shall have the right to act on behalf of the unit owners with respect to the taking and compensation affecting the common elements, without limitation of the right of the unit owners to represent their own interests. Such proceeds shall be paid to the Association and shall be used promptly to the extent necessary for restoring or replacing improvements so taken on the remaining property in a substantial compliance with the original plans and elevations of the improvements as soon as possible and so as to restore the general value of the condominium. In the event such restoration or reconstruction is impossible or impractical, or in the event there is an award in excess of the amount necessary to so substantially restore or reconstruct the common elements, the amount of such award or the excess, as the case may be, shall be distributed by the Association to the unit owners in proportion to their share of undivided interest in the common elements. Nothing herein shall be deemed to prevent unit owners whose units are affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their behalf for damages relating to loss of value of the affected units, or personal improvements therein, exclusive of damages related to the taking of common elements. In the event the condemnation award does not allocate damages to specific units, but includes an award for reduction in value of the units without such allocation, the award shall be distributed to the affected unit owners and mortgagees of record in proportion to each unit owner's undivided interest in the common elements.

22.02. Partial or Total Taking Directly Affecting Units. If part or all of the condominium shall be taken or condemned by any authority having the power of eminent domain in such manner that any unit or part thereof is taken, the Association shall have the right to act on behalf of the unit owners with respect to common areas as in subsection .1. of this Paragraph 22, and the proceeds shall be used or distributed as outlined therein. The Association, acting through its Board of Directors, shall have the right to act on behalf of the unit owners affected with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the taken area, without limitation on the right of the unit owners to represent their own interests. The awards so made shall be used by the Association first to restore the units and improvements on the remaining common elements in the same manner as provided for restoration or reconstruction under Paragraph 14 of this Declaration, to the extent possible attempting to rebuild buildings containing new units of the same number, size and basic plan as the units taken, and with any excess award distributed as provided in subsection .1. of this Paragraph 22. In the event that the Board of Directors determines that such a taking so removed land and buildings containing units that they cannot effectively restore or replace substantially in compliance with the building plans, and unless seventy-five percent (75%) of the units vote to accept an alternative plan, the award shall be distributed as provided in subsection .01. of this Paragraph 22.

22.03. Notice to Mortgagees. The Board of Directors, immediately upon having knowledge of the institution or threat of institution of any proceedings or other action with respect to the taking of condominium units, the common elements or any portion of any condominium unit or common element in condemnation, eminent domain or other proceeding or actions involving any unit of government or other entity having the power of eminent domain, shall notify mortgagees holding liens of record on any of the units. Any such mortgagee may, at its option, and if permitted by law, participate in any such proceedings or actions or, in the event, may at its option, participate in negotiations in connection therewith, but shall have no obligation to do so.

U.S. FISH AND WILDLIFE PERMIT

The owners and the Association of Phoenix VI, a condominium, and Phoenix VII, a condominium, will each jointly share in filling the requirements of the U.S. Fish and Wildlife Permit, a copy of which is attached hereto and made a part hereof as Exhibit "E."

23.01. Terms of Permit are Controlling - Every effort has been made to conform the other provisions of this declaration and the other subdivision documents to the terms and provisions of the incidental take permit; however, in the event of conflict, the terms and provisions of the incidental take permit take precedence over and control any terms and conditions of this declaration and all other association documents.

TABLE AND HEADINGS

This table of contents and headings used in this Declaration have been inserted for convenience and do not constitute matter to be construed in interpretation.

SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phase or work, or other provision of this Declaration of Condominium and the By-Laws of the Association shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the said TILLIS M. BRETT, THOMAS E. BRETT and WILLIAM T. ROBINSON, JR., have caused **THESE PRESENTS** to be executed this day and year as first above written.

Tillis M. Brett
TILLIS M. BRETT

Thomas E. Brett
THOMAS E. BRETT

William T. Robinson Jr.
WILLIAM T. ROBINSON, JR.

STATE OF Alabama)

COUNTY OF Mobile)

I, Debbie K. Cottrell, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that TILLIS M. BRETT, THOMAS E. BRETT and WILLIAM T. ROBINSON, JR., 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 said conveyance, they have executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 28th day of September, 1999.

Notary Public

My Commission Expires:

May 23, 2001

DEBBIE K. COTTRELL NOTARY PUBLIC STATE AT LARGE

Instrument 513531 Page 35of 68

THIS INSTRUMENT PREPARED BY:
Jule R. Herbert Jr.
Jule R. Herbert Jr., P. C.
Attorney at Law
P.O. Drawer 3889
Gulf Shores, AL 36547
(334) 968-4764

EXHIBIT "A"

PHOENIX VI, A CONDOMINIUM

LEGAL DESCRIPTION:

Lot 2, The Phoenix Subdivision, as recorded in the Office of the Judge of Probate of Baldwin County, Alabama, in Slide No. 1687-A.

THE PROPERTY IS MADE SUBJECT TO THE FOLLOWING:

1. Subdivision Regulations as set forth in instrument by the Orange Beach Planning Commission, recorded January 20, 1999, as Instrument Number 474555.

2. Rights of the United State of America, State of Alabama or other parties in and to the bed, shore and water of the Gulf of Mexico.

3. 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.

4. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from Robert Mitchell Shackleford, III, Katherine Shackleford Bailey and Christine Shackleford Rogers, to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 22, 1995, and recorded in Real Property Book 663, Page 1927.

5. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from Toxey D. Haas, Jr., and Martha McDavid Haas, to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 22, 1995, and recorded in Real Property Book 663, Page 1934.

6. Mineral Deed from Elizabeth Turner Ladd and John Milton Ladd to James Milton Ladd, Pelham Fleetwood Ladd and Noel Ladd Freeman, each a 1/6th interest, dated February 3, 1976, and recorded in Deed Book 483, Page 854.

7. Mineral Deed from Elizabeth Turner Ladd and John Milton Ladd to James Milton Ladd, Pelham Fleetwood Ladd and Noel Ladd Davis, each a 1/6th interest, dated January 7, 1986, and recorded in Real Property Book 239, Page 1024.

8. Mineral Deed from Noel Ladd David and James Edwin Davis, Jr.; James Milton Ladd and Sandra Strong Ladd; Pelham Fleetwood Ladd and Sharon Wolverton Ladd to Noel Ladd David, James Milton Ladd and Pelham Fleetwood Ladd, as Trustees of the John Milton Ladd and Elizabeth Turner Ladd Irrevocable Trust Agreement, dated the 28th day of December, 1992, said deed being dated February 5, 1993, and recorded in Real Property Book 504, Page 1069.

9. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from Noel Ladd Davis, James Milton Ladd and Pelham Fleetwood Ladd, as Trustees of the John Milton Ladd and Elizabeth Turner Ladd Irrevocable Trust Agreement, to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 28, 1995, and recorded in Real Property Book 663, Page 1945.

10. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from Ben C. Stimpson, a/k/a Benjamin C. Stimpson, to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 22, 1995, and recorded in Real Property Book 663, Page 1942.

11. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from Ann Bryan Jameson and B. Bryan Farms, Inc., to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 21, 1995, and recorded in Real Property Book 663, Page 1938.

12. Reservation of all interest in and to all oil, gas and minerals, and rights in connection therewith, as contained in deed from William H. Stimpson, Pamela McLeod Stimpson Hanes, Frederick Taylor Stimpson, III, William Sandys Stimpson and Richard Moore Stimpson, to Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., dated December 22, 1995, and recorded in Real Property Book 663, Page 1960.

13. Electric Line Right-of-Way granted Baldwin County Electric Membership Corp., by William Stimpson by instrument dated June 14, 1977, and recorded in Real Property Book 45, Page 1826.

14. Terms and conditions of the easement from Tillis M. Brett, Thomas E. Brett and William T. Robinson, Jr., to William H. Stimpson; Pamela McLeod Stimpson Hanes; Frederick Taylor Stimpson, III; William Sandys Stimpson; Richard Moore Stimpson; AmSouth Bank as executor of the Estate of Gordon S. Stimpson, Sr., deceased; Marian Stimpson; Gordon S. Stimpson, Jr.; Scot L. Stimpson; Charles F. White; Barbara B. White; J. Lloyd Abbot, III;

Charles S. Abbot; Mary Abbot; Ann Bryan Jameson; John C. Jameson; Ansley Giddens Green; Toxey D. Haas, Jr.; Martha McDavid Haas; Noel Ladd Davis; James Milton Ladd and Pelham Fleetwood Ladd as Trustees of the John Milton Ladd and Elizabeth Turner Ladd Irrevocable Trust Agreement; Larry U. Sims; Nancy K. Sims; Ben C. Stimpson, a/k/a Benjamin C. Stimpson; Marshall G. Rogers and Blacksher White-Spunner; said easement being dated January 3, 1996, and recorded in Real Property Book 664, Page 1438, and failure to comply with terms and conditions, as said easement is corrected by correction easement dated September 28, 1999, and recorded as Instrument Number 513517.

EXHIBIT "B"
TO
DECLARATION OF CONDOMINIUM
OF
PHOENIX VI, A CONDOMINIUM

CERTIFICATION

The undersigned, John M. Senkarik Jr., a Registered Architect in the State of Alabama, Registration Number 1912, pursuant to Section 35-8A-209, Code of Alabama (as amended), hereby certifies that all structural components and mechanical systems of all buildings containing or compromising any units of Phoenix VI, a condominium, as described in the Declaration of Condominium, are substantially completed in accordance with the plans as recorded at instrument number 513538 et seq. and further do certify that said plans together with the survey and drawings by Mikell D. Speaks recorded at instrument number 513535 et seq. and the elevations attached hereto contain all information required by Section 35-8A-209, Code of Alabama 1975 (as amended).

John M. Senkarik Jr.

This certification, the plans recorded at instrument number 513538 et seq., the survey and drawings recorded at instrument number 513535 et seq., and the attached elevations by Mikell D. Speaks are all part of Exhibit "B".

EXHIBIT " B "
TO DECLARATION OF CONDOMINIUM OF PHOENIX VI, A CONDOMINIUM
ELEVATIONS ON PHOENIX VI CONDOMINIUMS AT ORANGE BEACH, ALABAMA

LEVEL	UNIT NUMBER	FLOOR ELEV.	CEILING ELEV.	LEVEL	UNIT NUMBER	FLOOR ELEV.	CEILING ELEV.	LEVEL	UNIT NUMBER	FLOOR ELEV	CEILING ELEV
BASEMENT	BA1	13.02	23.19	FIFTH	5A1	60.64	68.64	TENTH	10A1	103.47	111.47
FLOOR	BC2	13.02	23.19	FLOOR	5C2	60.64	68.64	FLOOR	10C2	103.47	111.47
	BD3	13.02	23.19		5D3	60.64	68.64		10D3	103.47	111.47
	BE4	13.02	23.19		5E4	60.64	68.64		10E4	103.47	111.47
	M-1	13.02	23.19		5F5	60.64	68.64		10D5	103.47	111.47
	M-2	13.02	23.19		5E6	60.64	68.64		10E6	103.47	111.47
	BF11	13.02	23.19		5C7	60.64	68.64		10C7	103.47	111.47
	BE12	13.02	23.19		5D8	60.64	68.64		10D8	103.47	111.47
	BF13	13.02	23.19		5E9	60.64	68.64		10E9	103.47	111.47
	BE14	13.02	23.19		5E10	60.64	68.64		10E10	103.47	111.47
	BA15	13.02	23.19		5F11	60.64	68.64		10F11	103.47	111.47
					5E12	60.64	68.64		10E12	103.47	111.47
FIRST	1A1	23.92	34.09		5F13	60.64	68.64		10F13	103.47	111.47
FLOOR	1C2	23.92	34.09		5E14	60.64	68.64		10E14	103.47	111.47
	1D3	23.92	34.09		5A15	60.64	68.64		10A15	103.47	111.47
	1E4	23.92	34.09								
	1F5	23.92	34.09	SIXTH	6A1	69.24	77.24	ELEVENTH	11A1	112.10	121.10
	1E6	23.92	34.09	FLOOR	6C2	69.24	77.24	FLOOR	11C2	112.10	121.10
	01	23.92	34.09		6D3	69.24	77.24		11D3	112.10	121.10
	02	23.92	34.09		6E4	69.24	77.24		11E4	112.10	121.10
	109	23.92	34.09		6F5	69.24	77.24		11F5	112.10	121.10
	1E10	23.92	34.09		6E6	69.24	77.24		11E6	112.10	121.10
	1F11	23.92	34.09		6C7	69.24	77.24		11C7	112.10	121.10
	1E12	23.92	34.09		6D8	69.24	77.24		11D8	112.10	121.10
	1F13	23.92	34.09		6E9	69.24	77.24		11E9	112.10	121.10
	1E14	23.92	34.09		6E10	69.24	77.24		11E10	112.10	121.10
	1A15	23.92	34.09		6F11	69.24	77.24		11F11	112.10	121.10
					6E12	69.24	77.24		11E12	112.10	121.10
SECOND	2A1	34.80	42.80		6F13	69.24	77.24		11F13	112.10	121.10
FLOOR	2C2	34.80	42.80		6E14	69.24	77.24		11E14	112.10	121.10
	2D3	34.80	42.80		6A15	69.24	77.24		11A15	112.10	121.10
	2E4	34.80	42.80								
	2F5	34.80	42.80	SEVENTH	7A1	77.78	85.78	TWELFTH	12A1	121.86	130.86
	2E6	34.80	42.80	FLOOR	7C2	77.78	85.78	FLOOR	12C2	121.86	130.86
	2C7	34.80	42.80		7D3	77.78	85.78		12D3	121.86	130.86
	2D8	34.80	42.80		7E4	77.78	85.78		12E4	121.86	130.86
	2E9	34.80	42.80		7F5	77.78	85.78		12F5	121.86	130.86
	2E10	34.80	42.80		7E6	77.78	85.78		12E6	121.86	130.86
	2F11	34.80	42.80		7C7	77.78	85.78		12C7	121.86	130.86
	2E12	34.80	42.80		7D8	77.78	85.78		12D8	121.86	130.86
	2F13	34.80	42.80		7E9	77.78	85.78		12E9	121.86	130.86
	2E14	34.80	42.80		7E10	77.78	85.78		12E10	121.86	130.86
	2A15	34.80	42.80		7F11	77.78	85.78		12F11	121.86	130.86
					7E12	77.78	85.78		12E12	121.86	130.86
					7F13	77.78	85.78		12F13	121.86	130.86
					7E14	77.78	85.78		12E14	121.86	130.86
					7A15	77.78	85.78		12A15	121.86	130.86

*UNITS ARE COMBINED

I MIKELL D. SPEAKS, A REGISTERED LAND SURVEYOR IN THE STATE OF ALABAMA, HEREBY CERTIFY THAT THE FOLLOWING ELEVATIONS FOR THE UNITS IN PHEONIX VI CONDOMINIUMS ARE TRUE AND CORRECT.

Mikell D. Speaks

ALABAMA REGISTRATION NO. 9127
SEPTEMBER 20, 1999

ALABAMA
REGISTERED
NO. 9127
LAND
SURVEYOR
MIKELL D. SPEAKS

EXHIBIT " B "

TO DECLARATION OF CONDOMINIUM OF PHOENIX VI, A CONDOMINIUM

ELEVATIONS ON PHOENIX VI CONDOMINIUMS AT ORANGE BEACH, ALABAMA

LEVEL	UNIT NUMBER	FLOOR ELEV.	CEILING ELEV.	LEVEL	UNIT NUMBER	FLOOR ELEV.	CEILING ELEV.	LEVEL	UNIT NUMBER	FLOOR ELEV.	CEILING ELEV.
THIRD	3A1	43.41	51.41	EIGHTH	8A1	86.33	94.33	FOURTEENTH	14A1	131.60	140.60
FLOOR	3C2	43.41	51.41	FLOOR	8C2	86.33	94.33	FLOOR	14C2	131.60	140.60
	3D3	43.41	51.41		8D3	86.33	94.33		14D3	131.60	140.60
	3E4	43.41	51.41		8E4	86.33	94.33		14E4	131.60	140.60
	3F5	43.41	51.41		8F5	86.33	94.33		14F5	131.60	140.60
	3E6	43.41	51.41		8E6	86.33	94.33		14E6	131.60	140.60
	3C7	43.41	51.41		8C7	86.33	94.33		14C7	131.60	140.60
	3D8	43.41	51.41		8D8	86.33	94.33		14D8	131.60	140.60
	3E9	43.41	51.41		8E9	86.33	94.33		14E9	131.60	140.60
	3E10	43.41	51.41		8E10	86.33	94.33		14E10	131.60	140.60
	3F11	43.41	51.41		8F11	86.33	94.33		14F11	131.60	140.60
	3E12	43.41	51.41		8E12	86.33	94.33		14E12	131.60	140.60
	3F13	43.41	51.41		8F13	86.33	94.33		14F13	131.60	140.60
	3E14	43.41	51.41		8E14	86.33	94.33		14E14	131.60	140.60
	3A15	43.41	51.41		8A15	86.33	94.33		14A15	131.60	140.60
				NINTH	9A1	94.90	102.90	FIFTHTEENTH	15A1	141.32	150.32
				FLOOR	9C2	94.90	102.90	FLOOR	15C2	141.32	150.32
					9D3	94.90	102.90		15D3	141.32	150.32
					9E4	94.90	102.90		15E4*	141.32	150.32
FOURTH	4A1	52.04	60.04		9F5	94.90	102.90		15F5*	141.32	150.32
FLOOR	4C2	52.04	60.04		9E6	94.90	102.90		15E6	141.32	150.32
	4D3	52.04	60.04		9C7	94.90	102.90		15C7	141.32	150.32
	4E4	52.04	60.04		9D8	94.90	102.90		15D8	141.32	150.32
	4F5	52.04	60.04		9E9	94.90	102.90		15D9	141.32	150.32
	4E6	52.04	60.04		9E10	94.90	102.90		15E10	141.32	150.32
	4C7	52.04	60.04		9F11	94.90	102.90		15F11	141.32	150.32
	4D8	52.04	60.04		9E12	94.90	102.90		15E12	141.32	150.32
	4E9	52.04	60.04		9F13	94.90	102.90		15F13	141.32	150.32
	4E10	52.04	60.04		9E14	94.90	102.90		15E14	141.32	150.32
	4F11	52.04	60.04		9A15	94.90	102.90		15A15	141.32	150.32
	4E12	52.04	60.04								
	4F13	52.04	60.04								
	4E14	52.04	60.04								
	4A15	52.04	60.04								

*UNITS ARE COMBINED

I MIKELL D. SPEAKS, A REGISTERED LAND SURVEYOR IN THE STATE OF ALABAMA, HEREBY CERTIFY THAT THE FOLLOWING ELEVATIONS FOR THE UNITS IN PHEONIX VI CONDOMINIUMS ARE TRUE AND CORRECT.

Mikell D. Speaks

ALABAMA REGISTRATION NO. 9127

SEPTEMBER 20, 1999

ALABAMA
REGISTERED
NO. 9127
LAND
SURVEYOR
MIKELL D. SPEAKS

EXHIBIT " C " TO DECLARATION OF CONDOMINIUM
OF

PHOENIX VI

PERCENTAGE OF OWNERSHIP

Condo Unit #			Square Footage	% of Ownership
B	A	1	1385	0.558%
B	C	2	793	0.319%
B	D	3	1382	0.556%
B	E	4	1052	0.424%
B	F	11	1379	0.555%
B	E	12	1052	0.424%
B	F	13	1379	0.555%
B	E	14	1052	0.424%
B	A	15	1411	0.568%
1	A	1	1394	0.561%
1	C	2	801	0.322%
1	D	3	1392	0.560%
1	E	4	1064	0.428%
1	F	5	1395	0.562%
1	E	6	1064	0.428%
1	O	9	1045	0.421%
1	E	10	1064	0.428%
1	F	11	1395	0.562%
1	E	12	1064	0.428%
1	F	13	1395	0.562%
1	E	14	1064	0.428%
1	A	15	1420	0.572%

Condo Unit #	Square Footage	% of Ownership
2 A 1	1394	0.561%
2 C 2	801	0.322%
2 D 3	1392	0.560%
2 E 4	1064	0.428%
2 F 5	1395	0.562%
2 E 6	1064	0.428%
2 C 7	801	0.322%
2 D 8	1392	0.560%
2 E 9	1064	0.428%
2 E 10	1064	0.428%
2 F 11	1395	0.562%
2 E 12	1064	0.428%
2 F 13	1395	0.562%
2 E 14	1064	0.428%
2 A 15	1420	0.572%
3 A 1	1394	0.561%
3 C 2	801	0.322%
3 D 3	1392	0.560%
3 E 4	1064	0.428%
3 F 5	1395	0.562%
3 E 6	1064	0.428%
3 C 7	801	0.322%
3 D 8	1392	0.560%
3 E 9	1064	0.428%
3 E 10	1064	0.428%
3 F 11	1395	0.562%
3 E 12	1064	0.428%
3 F 13	1395	0.562%
3 E 14	1064	0.428%
3 A 15	1420	0.572%

Condo Unit #			Square Footage	% of Ownership
4	A	1	1394	0.561%
4	C	2	801	0.322%
4	D	3	1392	0.560%
4	E	4	1064	0.428%
4	F	5	1395	0.562%
4	E	6	1064	0.428%
4	C	7	801	0.322%
4	D	8	1392	0.560%
4	E	9	1064	0.428%
4	E	10	1064	0.428%
4	F	11	1395	0.562%
4	E	12	1064	0.428%
4	F	13	1395	0.562%
4	E	14	1064	0.428%
4	A	15	1420	0.572%
5	A	1	1394	0.561%
5	C	2	801	0.322%
5	D	3	1392	0.560%
5	E	4	1064	0.428%
5	F	5	1395	0.562%
5	E	6	1064	0.428%
5	C	7	801	0.322%
5	D	8	1392	0.560%
5	E	9	1064	0.428%
5	E	10	1064	0.428%
5	F	11	1395	0.562%
5	E	12	1064	0.428%
5	F	13	1395	0.562%
5	E	14	1064	0.428%
5	A	15	1420	0.572%

Condo Unit #			Square Footage	% of Ownership
6	A	1	1394	0.561%
6	C	2	801	0.322%
6	D	3	1392	0.560%
6	E	4	1064	0.428%
6	F	5	1395	0.562%
6	E	6	1064	0.428%
6	C	7	801	0.322%
6	D	8	1392	0.560%
6	E	9	1064	0.428%
6	E	10	1064	0.428%
6	F	11	1395	0.562%
6	E	12	1064	0.428%
6	F	13	1395	0.562%
6	E	14	1064	0.428%
6	A	15	1420	0.572%
7	A	1	1394	0.561%
7	C	2	801	0.322%
7	D	3	1392	0.560%
7	E	4	1064	0.428%
7	F	5	1395	0.562%
7	E	6	1064	0.428%
7	C	7	801	0.322%
7	D	8	1392	0.560%
7	E	9	1064	0.428%
7	E	10	1064	0.428%
7	F	11	1395	0.562%
7	E	12	1064	0.428%
7	F	13	1395	0.562%
7	E	14	1064	0.428%
7	A	15	1420	0.572%

Condo Unit #			Square Footage	% of Ownership
8	A	1	1394	0.561%
8	C	2	801	0.322%
8	D	3	1392	0.560%
8	E	4	1064	0.428%
8	F	5	1395	0.562%
8	E	6	1064	0.428%
8	C	7	801	0.322%
8	D	8	1392	0.560%
8	E	9	1064	0.428%
8	E	10	1064	0.428%
8	F	11	1395	0.562%
8	E	12	1064	0.428%
8	F	13	1395	0.562%
8	E	14	1064	0.428%
8	A	15	1420	0.572%
9	A	1	1394	0.561%
9	C	2	801	0.322%
9	D	3	1392	0.560%
9	E	4	1064	0.428%
9	F	5	1395	0.562%
9	E	6	1064	0.428%
9	C	7	801	0.322%
9	D	8	1392	0.560%
9	E	9	1064	0.428%
9	E	10	1064	0.428%
9	F	11	1395	0.562%
9	E	12	1064	0.428%
9	F	13	1395	0.562%
9	E	14	1064	0.428%
9	A	15	1420	0.572%

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Condo Unit #			Square Footage	% of Ownership
10	A	1	1394	0.561%
10	C	2	801	0.322%
10	D	3	1392	0.560%
10	E	4	1064	0.428%
10	F	5	1395	0.562%
10	E	6	1064	0.428%
10	C	7	801	0.322%
10	D	8	1392	0.560%
10	E	9	1064	0.428%
10	E	10	1064	0.428%
10	F	11	1395	0.562%
10	E	12	1064	0.428%
10	F	13	1395	0.562%
10	E	14	1064	0.428%
10	A	15	1420	0.572%
11	A	1	1394	0.561%
11	C	2	801	0.322%
11	D	3	1392	0.560%
11	E	4	1064	0.428%
11	F	5	1395	0.562%
11	E	6	1064	0.428%
11	C	7	801	0.322%
11	D	8	1392	0.560%
11	E	9	1064	0.428%
11	E	10	1064	0.428%
11	F	11	1395	0.562%
11	E	12	1064	0.428%
11	F	13	1395	0.562%
11	E	14	1064	0.428%
11	A	15	1420	0.572%

Condo Unit #	Square Footage	% of Ownership
12 A 1	1394	0.561%
12 C 2	801	0.322%
12 D 3	1392	0.560%
12 E 4	1064	0.428%
12 F 5	1395	0.562%
12 E 6	1064	0.428%
12 C 7	801	0.322%
12 D 8	1392	0.560%
12 E 9	1064	0.428%
12 E 10	1064	0.428%
12 F 11	1395	0.562%
12 E 12	1064	0.428%
12 F 13	1395	0.562%
12 E 14	1064	0.428%
12 A 15	1420	0.572%
14 A 1	1394	0.561%
14 C 2	801	0.322%
14 D 3	1392	0.560%
14 E 4	1064	0.428%
14 F 5	1395	0.562%
14 E 6	1064	0.428%
14 C 7	801	0.322%
14 D 8	1392	0.560%
14 E 9	1064	0.428%
14 E 10	1064	0.428%
14 F 11	1395	0.562%
14 E 12	1064	0.428%
14 F 13	1395	0.562%
14 E 14	1064	0.428%
14 A 15	1420	0.572%

Condo Unit #	Square Footage	% of Ownership
15 A 1	1394	0.561%
15 C 2	801	0.322%
15 D 3	1392	0.560%
15 E 4	1064	0.428%
15 F 5	1395	0.562%
15 E 6	1064	0.428%
15 C 7	801	0.322%
15 D 8	1392	0.560%
15 E 9	1064	0.428%
15 E 10	1064	0.428%
15 F 11	1395	0.562%
15 E 12	1064	0.428%
15 F 13	1395	0.562%
15 E 14	1064	0.428%
15 A 15	1420	0.572%
O1 Offices	293	0.118%
O2 Service Counter	552	0.222%
M1 Maintenance	1003	0.404%
Bldg. Total	248402	100.000%

The percentage of undivided interest of each unit in the common elements is determined by dividing the approximate heated and cooled square footage of each unit (as shown on this exhibit) by the approximate total square footage of all units in the building (as shown on this exhibit) and rounding the quotient to the nearest 1,000th decimal place.

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EXHIBIT "C-1" OF THE DECLARATION OF CONDOMINIUM OF PHOENIX VI, A CONDOMINIUM

The formula established by the developer for determining the percentage of each condominium's share of the common expenses and voting in all matters is as follows:

Type A Unit .0056939 x one month's income from condominium fees (as shown in the estimated operating budget for the first year) = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

i.e. - First year's income from condominium fees (as shown in the estimated operating budget for the first year) of $758,276.00 divided by 12 months = $62,698.00 (monthly budget). $62,698.00 x .0056939 = $356.9961 (the product), rounded up to the nearest even dollar is $357.00.

Type C Unit .0030463 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Type D Unit .0057577 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Type E Unit .0038278 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Type F Unit .0057577 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Unit 01 .0011802 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Unit 02 .0022329 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Unit M1 .0040511 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Unit 109 .0042106 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Type P Unit .00015949 x monthly budget = the product. This product rounded up to the nearest even dollar figure = monthly condo fee.

Explanation of Formula:

The establishment of an operating budget for a proposed condominium is required and must be published in an offering statement. Each condominium's share of this operating budget was determined by the developer based on: 1. Square footage of interior, 2. Maintenance requirement for exterior wall space, exterior windows and balconies, 3. In general, the expenses that will be incurred by the association were considered separately for each condominium type.

EXHIBIT "D"

BY-LAWS

OF

PHOENIX VI ASSOCIATION, INC.

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1. IDENTITY.

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

1.01. The office of the Association shall be at 3259 Gulf Shores Parkway, Gulf Shores, Alabama, 36542, Post Office Box 1727, Gulf Shores, Alabama, 36547.

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

2. MEMBERS' MEETINGS.

2.01. The first meeting of the unit owners to organize the Association shall be called as soon as practicable by the Directors of the Association after the closing and conveyance of the units commences and progresses, all in accord with the provisions, of the Alabama Uniform Condominium Act.

2.02. Thereafter, the annual meeting of the unit owners shall be held at the office of the Association at 9:00 a.m., the local time, on the 3rd Sat. November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day following that is not a legal holiday.

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

2.04. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast twenty percent (20%) of the votes in the Association.

2.05. Notice of all members' meetings stating the time and place and the objects for which a meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

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

2.07. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these By-Laws, the term "majority" means fifty-one percent (51%) of the votes in accordance with the percentages assigned in the Declaration of Condominium.

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

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

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

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

(a) Call to Order,
(b) Calling of the roll and certifying of proxies,
(c) Proof of notice of meeting or waiver of notice,

(d) Reading and disposal of any unapproved minutes,
(e) Report of Officers,
(f) Reports of Committees,
(g) Election of Directors,
(h) Unfinished Business,
(i) New Business,
(j) Adjournment.

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

2.13. Proviso. Provided, however, that until the Developer has sold seventy-five percent (75%) of the units of the Condominium, or until two (2) years after the units have ceased to be sold, or until Developer elects to terminate its control over the Condominium, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors.

3. BOARD OF DIRECTORS.

3.01. Membership. The affairs of the Association shall be conducted by the Board of Directors, which shall consist of such number not less than three (3) nor more than eight (8), with staggered terms, as shall from time to time be determined and affixed by a vote of the voting rights present at any annual meeting of the members. Each Director shall be an owner of a unit, except as provided in subparagraph .2.(d) below.

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

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

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

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

(d) Provided, however, that until the Developer of the condominium has completed and sold all of the units of the condominium or until December 30, 1998, or until the Developer elects to terminate its control of the condominium, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors; and provided, further, that until the Developer of the condominium has completed and sold seventy-five percent (75%) of the aggregate of all of the units of the condominium or until two (2) years after the date of the filing of a certificate by the Developer or until Developer elects to terminate its control over the condominium, whichever shall first occur, there shall be no meeting of members of the Association unless a meeting is called by the Board of Directors.

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

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

3.05. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

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

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

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

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

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

4. <u>POWERS AND DUTIES OF THE BOARD OF DIRECTORS</u>.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. <u>**OFFICERS**</u>.

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

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

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

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

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

6. FISCAL MANAGEMENT.

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

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

6.02. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance and transmitted to each member as provided supra. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such Maintenance Fund Reserve may from time to time be increased or reduced at the discretion of the Board. The proportionate interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the Alabama Uniform Condominium Act, any part of the said Fund remaining after full payment of all common expenses of the Association shall be distributed to all unit owners in the respective proportionate shares. Such assessments shall be due in monthly installments on the first day of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred twenty percent (120%) of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of the votes in the Association, and the amended assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Association.

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

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

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

6.06. Default.

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

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

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

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

7. OBLIGATIONS OF THE OWNERS.

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

7.02. Maintenance and Repair.

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

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

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

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

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

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

7.06. Mortgages.

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

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

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

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

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

8. AGENT TO RECEIVE SERVICE OF PROCESS.

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

NAME:	Tillis M. Brett
RESIDENT:	Post Office Box 1727 Gulf Shores, AL 36547

9. PARLIAMENTARY RULES.

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

10. **AMENDMENTS.**

These By-Laws may be amended by following the provision of Paragraph 19 of the Declaration of Condominium.

The foregoing were adopted as the By-Laws of PHOENIX VI ASSOCIATION, INC., at the first meeting of the Board of Directors on September 28, 1999.

SECRETARY

APPROVED:

PRESIDENT

DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE

3-201
(1/97)

FEDERAL FISH AND WILDLIFE PERMIT

2. AUTHORITY-STATUTES

16 USC1539(a)(1)(B)

REGULATIONS (attached)

50 CFR §13 & 17

3. NUMBER

PRT-809898-2

1. PERMITTEE

BRETT REAL ESTATE, ROBINSON DEVELOPMENT CO., INC.
27100 PERDIDO BEACH BOULEVARD
ORANGE BEACH, ALABAMA 36561
PHONE: 251/981-4713

4. RENEWABLE	5. MAY COPY
XXXX YES	XXXX YES
____ NO	____ NO

6. EFFECTIVE	7. EXPIRES
4/18/03	12/31/2026

8. NAME AND TITLE OF PRINCIPAL OFFICER (if # 1 is a business)

WILLIAM T. ROBINSON, JR.

9. TYPE OF PERMIT

ENDANGERED SPECIES - INCIDENTAL TAKE

10. LOCATION WHERE AUTHORIZED ACTIVITY MAY BE CONDUCTED

ENCOMPASSING APPROXIMATELY 22 ACRES, A TRACT OF BEACHFRONT LAND LOCATED ON ALABAMA HIGHWAY 182, APPROXIMATELY 1.25 MILES WEST OF THE PERDIDO PASS BRIDGE.

11. CONDITIONS AND AUTHORIZATIONS:

A. GENERAL CONDITIONS SET OUT IN SUBPART D OF 50 CFR 13, AND SPECIFIC CONDITIONS CONTAINED IN FEDERAL REGULATIONS CITED IN BLOCK #2 ABOVE, ARE HEREBY MADE A PART OF THIS PERMIT. ALL ACTIVITIES AUTHORIZED HEREIN MUST BE CARRIED OUT IN ACCORD WITH AND FOR THE PURPOSES DESCRIBED IN THE APPLICATION SUBMITTED. CONTINUED VALIDITY, OR RENEWAL, OF THIS PERMIT IS SUBJECT TO COMPLETE AND TIMELY COMPLIANCE WITH ALL APPLICABLE CONDITIONS, INCLUDING THE FILING OF ALL REQUIRED INFORMATION AND REPORTS.

B. THE VALIDITY OF THIS PERMIT IS ALSO CONDITIONED UPON STRICT OBSERVANCE OF ALL APPLICABLE FOREIGN, STATE, LOCAL OR OTHER FEDERAL LAW.

C. VALID FOR USE BY PERMITTEE NAMED ABOVE, AND ANY AUTHORIZED AGENTS.

D. ACCEPTANCE OF THIS PERMIT SERVES AS EVIDENCE THAT THE PERMITTEE AND ITS AUTHORIZED AGENTS UNDERSTAND AND AGREE TO ABIDE BY THE TERMS OF THIS PERMIT AND ALL SECTIONS OF TITLE 50 CODE OF FEDERAL REGULATIONS, PARTS 13 AND 17, PERTINENT TO ISSUED PERMITS. SECTION 11 OF THE ENDANGERED SPECIES ACT OF 1973, AS AMENDED, PROVIDES FOR CIVIL AND CRIMINAL PENALTIES FOR FAILURE TO COMPLY WITH PERMIT CONDITIONS. THE PERMIT ISSUED ON APRIL 8, 1996 IS HEREBY AMENDED, REPLACED, AND SUBSTITUTED IN ITS ENTIRETY BY THIS AMENDMENT #2.

XX BLOCK 11 OF THIS PERMIT CONSISTS OF ITEMS A-O (9 PAGES TOTAL)

12. REPORTING REQUIREMENTS

REPORTS WILL BE PROVIDED TO THE U.S. FISH AND WILDLIFE SERVICE OFFICES APPEARING IN CONDITION M, N, and O OF THIS PERMIT. THE FIRST REPORT IS DUE DECEMBER 31, 1996.

ISSUED BY:	TITLE	DATE
	DEPUTY REGIONAL DIRECTOR, FWS, SOUTHEAST REGION	5/9/03

ORIGINAL

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E. The Permittee owns a ±22-acre tract within the City of Orange Beach and plans a real estate development called Phoenix VI and VII on the site (Project), of which approximately 7.2 acres is considered occupied *Peromyscus polionotus ammobates* habitat. This permit authorizes incidental taking of *Peromyscus polionotus ammobates* on ± 8.3 acres of scrub dunes and ± 2.7 acres of secondary dunes associated with normal construction activities. This ± 11-acre block of habitat extends from the Coastal Construction Control Line (CCCL) line landward to Highway 182 and does not include the area occupied by single family residences, yards, and drives. Following construction, ± 1.75 acres of disturbed secondary dunes north of the CCCL will be restored. The net direct of construction will be the permanent modification of ± 9.35 acres of ABM habitat. Incidental take as described above is authorized for construction activities and subsequent human habitation of the project for a period of 30 years, subject to the continued validity of the permit.

F. The nature of the Project is a phased residential development, eventually transferring titles and control of the Project to property owners (Owners) and a Property Owners Association, Incorporated (Association). The permittee must inform each Owner and the Association, using The Declaration (see Condition G.3., below), of their responsibilities and mandates as described in this permit. All conditions of this permit automatically will be assigned and transferred to each Owner and the Association and shall run with the real property encompassed by the Project. The permittee shall be defined as those entities which hold fee simple title to any portion of the real property identified in the HCP and this permit over the duration of the permit.

G. The following measures will be employed by the permittee to ensure that *Peromyscus polionotus ammobates* take is minimized and fully mitigated.

1. For an approximately 4.4-acre area south of the CCCL, the Permittee shall limit any disturbances to that reasonably expected to occur during construction of the Project's two elevated boardwalks, and for any dune restoration and enhancement activities as described herein. Withstanding these exceptions, the permittee shall not disturb, nor grant permission to any person, firm, or entity which would result in a disturbance to this 4.4 acre area.

2. The Permittee shall permit the U.S. Fish and Wildlife Service personnel, State of Alabama Department of Conservation personnel or other properly permitted and qualified persons designated by either agency to enter the Project boundaries at reasonable hours and times for the general purposes specified in Part 50 Code of Federal Regulations § 13.21(d)(2).

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G. (Continued)

3. The permittee shall establish covenants, restrictions, and conditions, on each Owner and the Association (The Declaration). The Declaration must be approved by the U.S. Fish and Wildlife Service and properly executed as a legal instrument bound to any subsequent owners of the real property of the project. The Declaration must mandate the following minimum performance standards for purposes of protecting *Peromyscus polionotus ammobates*.

   a. A brief description and information on the need, intent, and purposes of this permit, and conservation of *Peromyscus polionotus ammobates*.

   b. Identification of the requirements and responsibilities contained in the permit. Permittee is required to provide a copy of the permit to each Owner at or before closing of each lot within the Project. In addition, each Owner shall maintain a copy of the permit in the residence for use by lessees or others who hold under the Owner. The responsibilities to be identified include the following:

      I. Cats are prohibited at all times within the Project.

      ii. Use of refuse containers which are scavenger-proof.

      iii. The necessity of compliance with the Project's Lighting Plan, including the requirements of specific performance and design standards for each dwelling unit and common areas as established in the Lighting Plan.

      iv. All plant species used for landscaping the common areas and individual lots must be selected from an indigenous plant list approved by U.S. Fish and Wildlife Service. Variances or exceptions to this requirement for landscaping of common areas or for landscaping of individual lots will be considered by U.S. Fish and Wildlife Service upon request. This request may come from an Owner, or for the Project by Brett Real Estate Robinson Development Company, Incorporated, or the Association.

      v. Dune walkover design and placement shall be coordinated with the U.S. Fish and Wildlife Service so as to minimize damage to the dune system and *Peromyscus polionotus ammobates*.

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G. 3. b. (Continued)

vi. Identification of the requirements of establishing and maintaining a special assessment to fund and monitor the implementation of the requirements of this permit.

4. By July 15, 1996, the permittee shall establish an account for purposes of funding the monitoring and reporting requirements of this permit (Sections I & J below). The permittee shall annually assess each dwelling unit $50.00 (Fifty) per year. This annual assessment will stop when the account reaches $15,000 (Fifteen Thousand), at which time the assessment shall temporarily cease. At such time thereafter, as the fund balance falls below $7,500 (Seven Thousand Five Hundred), the $50.00 (Fifty) per dwelling unit assessment will resume and will continue until the fund balance again reaches $15,000 to ensure permit conditions are successfully implemented. The Declaration must identify that the special assessment for implementation of the permit cannot be dissolved under any procedures or circumstances outlined in the Declaration.

5. By June 10, 1996, the permittee shall deposit, in a federally chartered bank or other financial institution acceptable to the U.S. Fish and Wildlife Service, $80,000 (Eighty Thousand) in good funds. These monies will be used to acquire property of quantity and quality sufficient to compensate for unavoidable and minimize impacts in the project area, and may include pre-acquisition expenses. These funds may also be used for other purposes consistent with the conservation and recovery of *Peromyscus polionotus ammobates*. The U.S. Fish and Wildlife Service will direct the permittee on appropriate expenditures for this condition. The U.S. Fish and Wildlife Service must approve all fund expenditures.

6. The Permittee shall restore all secondary dunes north of the CCCL impacted by construction of the recreational amenities and condominiums. After construction, this restoration effort will encompass about 1.75 acres of secondary dunes. Additionally, the Permittee shall re-store approximately 1.8 acres of primary dunes. (This 1.8 acres will be located seaward of the existing primary dune line and is that area destroyed by Hurricane Opal). Permittee must notify the U.S. Fish and Wildlife Service prior to commencement of the dune restoration activities. To ensure that the Permittee meets the requirements of this permit and is in compliance with the Alabama Department of Environmental Management permit (ADEM), the Permittee shall notify the U.S. Fish and Wildlife Service simultaneous to notification of ADEM. The U.S. Fish and Wildlife Service, ADEM, and the permittee shall meet on-site to discuss the requirements and performance standards of this condition. The U.S. Fish and

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G. (Continued)

6. (Continued)

Wildlife Service must approve all requirements and standards of the restoration effort described in this condition. The objective of this condition will ensure that any damaged or disturbed area become established within 3 (three) years. The permittee shall also provide a funding source for implementation of the Dune Restoration Plan, which is independent of the funding as described in Items G.4. and G.5. of this permit.

7. The permittee shall prepare a specific lighting plan for the Project (Lighting Plan). The Lighting Plan must be incorporated into the project's construction plan. The goals of the Lighting Plan will be: 1) No outdoor light sources will illuminate the wet beach or primary dune line; 2) All exterior lighting will be recessed or shielded so light will not fall on adjacent undeveloped areas; and 3) Interior lighting should be reduced using tinted glass.

Impact reduction methodologies should follow those outlined in attached document (*Understanding, Assessing, and Resolving Light-Pollution Problems on Sea Turtle Nesting Beaches*) which is incorporated as a technical appendix to this permit. The U.S. Fish and Wildlife Service must approve of the Lighting Plan.

H. The following measures will be employed by the permittee to provide for permit implementation and monitoring.

1. By April 30, 1997, the permittee shall prepare and publish for distribution within the Project an information and educational brochure on the conservation of *Peromyscus polionotus ammobates* and nesting marine sea turtles.

2. By April 30, 1997, the permittee shall install and maintain a sign describing *Peromyscus polionotus ammobates*, and nesting marine sea turtles and its habitat. The sign shall be placed at the entrance of the two common dune walkovers of the Project frequented by residents and visitors.

I. The following measures will be employed by the permittee to provide for permit monitoring. All items in this condition commence when construction of one of the Project's condominium towers is complete (e.g., ready for human occupancy). Where appropriate, specific performance measurements for noncompliance have been identified. Where non-compliance is indicated or discovered during routine or required reporting periods, immediate notification and remedial actions are required.

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I. (Continued)

1. During spring quarter of the calendar year, the permittee shall perform a survey documenting the presence or absence of *Peromyscus polionotus ammobates* and of house mice, *Mus musculus*, a known competitor of *Peromyscus polionotus ammobates*. The survey shall be performed by qualified and permitted agents of the permittee approved by the U.S. Fish and Wildlife Service. The methodology and design of the survey must be acceptable to the U.S. Fish and Wildlife Service. The presence of competitors shall not constitute noncompliance with protection of *Peromyscus polionotus ammobates* unless the presence of *Mus musculus* constitutes 15 percent or greater of the total captures. All *Mus musculus* are to be destroyed upon capture.

   If the number of *Mus musculus* exceed 15 percent of total captured rodents, then the permittee is not in compliance. The permittee shall immediately institute a monthly competitor control trapping program, funded by the special assessment fund identified in Item G.4., above. The trapping program shall remove all *Mus musculus* until such time this species occurrence falls below 15 percent of the sample. Once *Mus musculus* occurrence falls below 15 percent, the control program shall cease and the routine sampling (e.g., spring) shall be reinstated.

2. Simultaneous with the competitor control program, the permittee shall conduct a census for the presence or absence of free roaming cats (*Felis domesticus*) within the Project. Walking transects shall be established so as to provide census coverage of 100 percent of the Project's total area. Track and occurrence data should be recorded. If available, information on free-roaming cats obtained by residents should also be summarized in this report. Should the surveys or other reports document presence of free roaming cats, the permittee shall immediately institute a trapping program. Trapped animals will be transported to the nearest animal shelter or adoption facility. Funded by the special assessment, the trapping program shall be employed until weekly surveys fail to document the presence of free roaming cats in the Project.

3. Within 45 days after the completion of the trapping effort, the permittee shall provide a report to the U.S. Fish and Wildlife Service. The report will document the results of the sampling efforts and update the status and progress of the competitor control program, if necessary. Information collected as a result of the activities in I.1. and I.2. must also be provided to the U.S. Fish and Wildlife Service during each annual reporting period.

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J. For each year the permit is valid, the permittee will submit an annual report to U.S. Fish and Wildlife Service by December 31. The annual report shall outline and describe implementation and success of minimization measures. The permittee shall identify non-compliance and measures employed to remediate the non-compliance. The annual report shall address the following:

1. The population status of *Peromyscus polionotus ammobates* and control of *Mus musculus*.
2. Free-roaming cat control.
3. Garbage and refuse control.
4. Establishment of educational/informational materials and signage.
5. Dune integrity and status of the common dune crossovers.
6. Progress on landscaping requirements of the Project.
7. The Lighting Plan.
8. Integrity of the protected habitat areas.
9. The status of dune restoration and maintenance efforts.
10. Status of the $80,000 endowment fund.
11. Status, and a description of changes made, if any, to the Declaration.
12. Information explaining the extent of construction of the Project.
13. An accounting of the special assessment fund.
14. Report any employee or contractor training.
15. Include any corrective measures or other changes that may be necessary to improve the efficacy of the permit.

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K. The Permittee and the U.S. Fish and Wildlife Service acknowledge that even with the above detailed provisions for mitigating and/or minimizing impacts to the covered species, changes in circumstances could arise which were not fully anticipated by this permit and which may result in substantial and adverse change in the status of the covered species. The U.S. Fish and Wildlife Service's policy regarding changed and unforeseen circumstances is contained in the final "No Surprises" rule published on February 23, 1998, (63 Fed. Reg. 8859) and codified at 50 C.F.R. Part §17.

Unforeseen and/or changed circumstances may become apparent either to the Permittee, authorized agents, or to personnel of the U.S. Fish and Wildlife Service. For purposes of implementation of this condition, unforeseen circumstances are defined as changes in circumstances affecting a species or geographic area covered by the HCP that could not reasonably have been anticipated by the HCP developers and the U.S. Fish and Wildlife Service at the time of the HCP's negotiation and development, and that result in a substantial and adverse change in the status of the covered species. Changed circumstances are defined as changes in circumstances affecting a species or geographic area covered by the HCP that can reasonably be anticipated by HCP developers and the U.S. Fish and Wildlife Service, and that can be planned for. Should either unforeseen or changed circumstances arise, the Permittee and the contact office of the U.S. Fish and Wildlife Service shall meet within twenty (20) working days following notice. The U.S. Fish and Wildlife Service and Permittee shall together agree upon appropriate and reasonable measures for addressing such circumstances, within the rule of applicable law, and the Permittee shall implement appropriate and reasonable measures within an additional thirty (30) working days, unless a longer period of time is agreed to by the U.S. Fish and Wildlife Service.

L. Upon locating a dead, injured, or sick *Peromyscus polionotus ammobates*, nesting sea turtles, or any other endangered or threatened species, initial notification must be made immediately to the U.S. Fish and Wildlife Service Law Enforcement Office, 3763 Highway 14, Dogwood Plaza, Millbrook, Alabama 36054. The phone number is 334/385-9600. Notification should also be made (by the next work day) to the local U.S. Fish and Wildlife Service, address and telephone number noted in Condition M, below. Care should be taken in handling sick, injured, or dead specimens to ensure effective treatment or to preserve biological materials for later analysis. In conjunction with the care of sick or injured endangered species or preservation of biological materials from a dead animal, the finder should take responsible steps to ensure that the site is not unnecessarily disturbed.

M. For purposes of this monitoring compliance of the terms and conditions of this permit, including unforeseen circumstances, the contact, address, and phone number of local U.S. Fish and Wildlife Service office is:

U.S. Fish and Wildlife Service
P.O. Drawer 1190

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Daphne, Alabama 36526
Telephone: 251/441-5181

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PRT - 809898
AMENDMENT #12

N. Copies of annual reports and any other documentation submitted in response to the operation and management of this permit shall also be provided to:

Endangered and Threatened Species Permits
U.S. Fish and Wildlife Service (AES/TE/P)
1875 Century Boulevard, Suite 200
Atlanta, Georgia 30345
Telephone: 404/679-7110

O. Copies of annual reports and any other documentation submitted in response to the operation and management of this permit shall also be provided to:

Field Supervisor
U.S. Fish and Wildlife Service
6578 Dogwood View Parkway, Suite A
Jackson, Mississippi 39213
Telephone: 601/965-4900

END

Phoenix VI Association
Annual Homeowners Meeting
November 15, 2025 – 10:00 AM

Board Members in Attendance:

President: David Harrison
Director: Joseph Maitrejean Jr.
Director: Faye Jones
Vice President: Jerry Killough
Director: Jim Herd
Director: Bill Haas
Secretary/Treasurer: Kathy Trice

Gulf Corp Services Representatives in Attendance:

Ricky Johnson, Association Manager
Wiley Latner, Facilities Manager
Emily Holcomb, Association Assistant
Shari Ballinger, Association Assistant

Brett-Robinson Representatives in Attendance:

Sam Stacy, Network Technician
Leigh Kapito, Service Desk Manager
Bill Brett, CEO Brett Robinson

Guests: Steve Chiepalich, CPA

CALL TO ORDER

President Harrison called the meeting to order at 10:05 AM.

CERTIFICATION OF QUORUM

Ricky Johnson reported a quorum of 56.3% from owners both attending and via proxy, allowing the Association to conduct business according to the condominium governing documents.

OPENING REMARKS

President Harrison welcomed everyone attending in person and those attending by Zoom to the annual meeting. The board introduced themselves.

PRESIDENT'S COMMENTS

President Harrison Insurance and 2025 Budget

- President Harrison advised the owners that insurance premiums continue to decrease and that the Gulf Coast was fortunate this year not to experience any major storms, which helps when it comes time for renewal. Currently, a $500,000 Insurance Assessment is reflected in the proposed 2026 Budget. Phoenix VI's insurance renews in May, and should the premium come in lower, the Board will once again consider reducing the Insurance Assessment.

APPROVAL OF MINUTES

MOTION: *John Procell, Unit 6403, made a motion to approve November 16, 2024, annual meeting minutes. Thomas Prescott Sr. Unit 6908 seconded the motion. The motion carried unanimously.*

VICE PRESIDENT'S COMMENTS

Jerry Killough/Summary of Significant Activities:

- Elevator cab modernization and replacement of controllers and electrical components were completed by Otis. A few minor items still need to be addressed. The project cost approximately $1.4 million and was funded through Capital Reserves.
- Remodeled the indoor pool area for $51,000.
- Replastered the outdoor pool for $30,000.

- Updated walkway lighting for $49,000. Replaced the lobby and meeting room A/C units.
- Repaired and refinished the outdoor pool bridge for $13,000.
- Replaced the elevator shaft roof with a TPO roof for $34,000.
- Completed cooling tower upgrades.
- Updated the indoor pool furniture.
- Repaired and recoated the north wall.
- Sealed the atrium windows.
- Installed an 8-foot basketball goal at the request of owners during the 2024 Annual Meeting.

FINANCIAL REPORT
Jerry Killough, Vice President

Jerry Killough, Reviewed Current 2025 Budget

- Advised that the financials through October 2025 showed revenue and expenses aligning will with budget after adjusting the insurance assessment from $ 1 million to $500, 000.
- Capital reserve funds are strong at almost $2.2 million, ensuring preparedness for major future repairs.

Steve Chiepalich, Independent Auditor

- **2024 Audit Report:** Gulf Corp Services serviced the association well for the fiscal year ending in December 2024 with accurate record keeping, and good internal controls, which minimize the risk of any impropriety The Association is in sound financial condition with no negative findings. Federal and State income taxes were filled on time without any significant taxes due.
- **2026 Proposed Budget –** Reviewed the proposed 2026 budget which did not reflect a monthly dues increase for 2026. Noted that there was a $500,000 insurance assessment due on September 1, 2025. Mr. Chiepalich noted that 80% of the Operating Budget is made of utilities, insurance, and personnel costs. The 2026 Operating Budget reflects a projected profit of $75,000.

Question: Mrs. Stephen, Unit 61109 asked what the Service Fee Passes line item covers?
Answer: David Harrison, Board President, stated that the charge covers the supplies for the parking passes.

Question: Toni McKelvey Unit 1004 asked if the $174,000 Capital Reserve contribution is sufficient for future upcoming projects or if it needs to be increased to build the reserves?
Answer: Jerry Killough, Vice-President, emphasized continued use of assessments for large projects to avoid monthly dues spikes, following best practices advised by mortgage lenders.

MOTION: *Charles San Fillippo, Unit 61209, motion to ratify the 2026 budget to include the $500,000 insurance assessment due September 1, 2026. John Procell, Unit 6403, seconded the motion. Motion passed unanimously.*

ELECTION OF DIRECTORS

David Harrison stated the board terms of Jerry Killough and Bill Haas were expiring. Both Jerry Killough and Bill Haas were seeking reelection. Gary Atkins provided a brief bio along with a candidate bio form, which was presented to the ownership within the meeting packet handouts.
David Hattison opened the floor for nominations. With no nominations from the floor, President Harrison closed the nominations. Steve Chiepalich, CPA, tallied the votes.
Recognize New Board Member: President Harrison reported the results of the ownership vote for the election of two board members. Mr. Harrison welcomed Jerry Killugh and Gary Atkins to the Board. Each would serve a three-year term.

OLD BUSINESS

David Harrison opened the floor for owner to ask Question

Question: Janet Jarzembski, Unit 61010, asked if there was a liaison between Gulf Corp Services and the Board of Directors regarding marketing and advertising and questions about rentals? Should an owner have a question as there was recently a post on Facebook which turned out to be a scam.

Answer: President Harrison noted that Ricky Johnson, the Association Manager with Gulf Corp Services, would be the best point of contact. Gulf Corp Services works with all rental companies and keeps them informed of any upcoming projects.

Comment: Janet Jarzembski, Unit 1010, explained that she hired a company that appeared on the Phoenix VI Association Facebook page advertising dryer vent cleaning, which turned out to be a scam.

Remark: President Harrison stated that the Association did have a one-time dryer vent cleaning performed for all owners in the past. However, due to complaints and reports of damage to dryers, the Association has decided not to offer dryer vent cleaning services going forward.

Remark: Wiley, Facilities Manager stated that if owners may contact him for assistance, he can help or direct them to the appropriate provider for help.

Question: Mitchell Tucker, Unit 810, stated that in the past the Association mentioned the possibility of obtaining a discounted rate for water heater replacements through a bulk purchase and asked if anything came of that.

Answer: Wiley, Facilities Manager, explained that an email was sent to all owners, but there were not enough responses at that time to qualify for the discounted bulk rate.

Remark: stated that Gulf Corp Services could send out another email to gauge current owners' interest in replacing water heaters.

NEW BUSINESS

President David Harrison opened the floor for owner question/comment.

Question: Shanna Newsome, Unit 6504, asked if there is a way for owners to be notified when other owners are performing construction in their units.
Answer: President Harrison stated that it is helpful if owners notify Wiley or the Association Management office of any work being done inside units.
Remark: Vice President, Jerry Killough stated that on the Phoenix VI website there is a newsfeed section where owners can post comments and notify others when work is occurring.
Comment: Ricky Johnson stated that when owners notify the Association office of construction in their unit, the office can send an email to inform other owners and rental companies.

Question Janet Jarzembski, Unit 61010 asked if there was way to better enforce the rules and regulations regarding smoking on balconies and ensuring owners clean up after their dogs in the dog park area?
Answer: President Harrison stated that it is hard to determine exactly where smoke on the balconies originates. He advised owners to report concerns to Security or the Service Desk so they can attempt to identify the source. He also noted that they will continue reminding owners of the requirement to clean up after their pets.

Question: An owner asked if there were any plans to repaint the entry doors and, if not, whether owners could obtain the paint color to make necessary touch-ups**.**

Answer: President Harrison stated that in the past a contractor was hired to paint all entry doors. He noted that the Board discussed the entry doors at yesterday's meeting, and Facilities are currently in the process of repainting them. The only delay is when a unit is occupied and when weather hinders the process.

Question: Judith Herd, Unit 1001 asked if there was a way to identify if dogs belong to owners versus guest?

Answer: President Harrison noted that owners are required to register their pets at the Service Desk and pick up an owner tag to place on their dog's collar.

Comment: An owner mentioned that at one of their other properties, owners' dogs are identified by a specific color leash to distinguish them.

Question: Judith Herd, Unit 1001 Judith Herd, Unit 1001, asked if the Board would allow the installation of a kick plate at the bottom of her unit entry door?

Answer: David Harrison stated the Board would get together with Wiley to determine if kick plates would be a beneficial add to the doors, and if so, which kick plate would be best to install.

Question: Kitie McBride asked if owners could install a Ring Door Bell.

Answer: Ricky Johnson advised against the installation of Ring doorbells due to privacy concerns, as these devices can capture conversations.

Comment: David Jarzembski, Unit 61010 stated that while staying at the condo, several fire trucks responded to the building. When he spoke with one of the firefighters, he was told the alarm was triggered by a dirty air filter.

Remark: President Harrison explained that the Fire Department responded with multiple fire trucks because a guest had turned on the heater, which burned off dust and caused a burning smell. The guest called 911, mistakenly reporting that the unit was on fire.

Comment: David Jarzembski, Unit 1010, stated that the BBQ pits currently have metal brackets that corrode quickly and suggested the Association consider replacing them with aluminum brackets.

Question: Bill Haas, Board Director, asked if the dumpster located between Phoenix could be relocated so they are not the first thing guests and owners see when driving in?

Answer: Wiley, Facilities Manager, explained that the dumpster between Phoenix VI and Phoenix VII is shared by both Association during this time of year to accommodate owners disposing of large items during remodeling or construction projects. Phoenix VI and Phoenix VII share the cost of the dumpster.

Question: Owner asked if the Mobi-Mat could be moved closer to the Boardwalk?

Answer: Vice-President Jerry Killough would reach out to Ike's Beach Service, who installed the mat each morning, to see if it could be moved closer to the boardwalk.

RATIFY ACTIONS OF 2025 BOARD

MOTION: *Melvin Fortmayer, Unit 6312 made a motion to ratify the actions of the 2025 board. James Jones Unit 6803 seconded the motion. The motion carried unanimously.*

ADJOURNMENT

With no further business to discuss, President Harrison adjourned the meeting at 11:26 A.M.

____ ______________________________

MINUTES APPROVED DATE

11-15-2025 eh

Phoenix VI Association
Annual Homeowners Meeting
November 16, 2024 – 10:00 AM

Board Members in Attendance:

President: David Harrison
Vice President: Jerry Killough
Secretary/Treasurer: Bill Haas
Director: Kathy Trice
Director: Jim Herd
Director: Dave Fernandez (Absent)
Director: Gary Atkins

Gulf Corp Services Representatives in Attendance:

Ricky Johnson, Association Manager
Emily Holcomb, Association Assistant
Randy Wood, CEO Gulf Corp Services
Wiley Latner, Facilities Manager
Laura Mills, Association Assistant
Shari Ballinger, Association Assistant

Brett-Robinson Representatives in Attendance:

Sam Stacy, Network Technician
Cateisha Dade, Service Desk Manager

Guests: Steve Chiepalich, CPA

CALL TO ORDER

President Harrison called the meeting to order at 10:03 AM.

CERTIFICATION OF QUORUM

Ricky Johnson reported a quorum of 56.9% from owners both attending and via proxy, allowing the Association to conduct business according to the condominium governing documents.

OPENING REMARKS

President Harrison welcomed everyone attending in person and those attending by Zoom to the annual meeting. Had the board introduce themselves.

PRESIDENT'S COMMENTS

President Harrison Insurance and 2024 Budget

- Informed the owners of the $1 million dollar assessment that was reflected in the 2025 budget for insurance. Letting the owners know that assessment stems from a recent evaluation of the building, which increased its value and, consequently, the associated insurance premiums. Based on the current insurance market and the evaluation results, we anticipate a premium increase for the upcoming year. After careful consideration, the Board decided that an assessment is a more appropriate solution than raising HOA dues. Assessments are temporary and specific, whereas HOA dues tend to remain.
- Should the final insurance premiums come in lower than projected, the Board will review the insurance assessment and consider a reduction accordingly. Advised owners should the assessment pass that they could make monthly payments or all at one time. Insurance assessment has to be paid in full by September 1st.

APPROVAL OF MINUTES

MOTION: *Gary Atkins, Unit 61409, made a motion to approve the November 18, 2023 annual meeting minutes. Chuck Higgins Unit 6814, seconded the motion. The motion carried unanimously.*

VICE PRESIDENT'S COMMENTS

Jerry Killough/Summary of Significant Activities:

- Replaced stand pipes in the stairwells.
- Replaced 65 fire extinguishers.

- Cooling tower pump and skid had to be replaced. Supplies cool air to all the common area in the building
- Repainted and sealed the north wall of underground garage.
- Investigated the buckled pavers by front entrance
- Five glass window panels in the atrium had to be replaced.
- Cleaned out sand and debris from storm drains in the parking lot.
- Had 13 all-in-claims association had to pay to take care of the water damages from leaks. Work with insurance to be reimbursed for damages.
- Painted the racquet ball court.
- Repaired and painted the north walkway ceilings.
- Replaced the rusted pipe hangers on the ceiling and walls in the indoor pool area.
- Elevator modernization and cab refurbishment a capital expenditure.
- Installed new A/C units on the 2nd and 3rd floor.

FINANCIAL REPORT
Jerry Killough, Vice President

- Reviewed major expenditures for 2024
  Operating expenses
  - $94,000 to paint and seal north garage wall.
  - $9,500 repair the buckled pavers at the front entrance.
  - $17,000 repair fencing on the tennis courts.

  Capital expenses
  - $28,000 new lobby furniture
  - $21,000 for 2 new A/C units
  - $637,000 down payment on the elevator project for material.
  - $14,000 replacement of stairwell pressurization fans.
  - $22,000 installed elevator landing heat sensors per local fire code.

  Balance Sheet through September 2024
  - Around $626,000 in Operating Account.
  - A little over $2.2 million in Reserve Account.
  - Total assets and liabilities are around $3.4 million dollars.
- Reviewed the income and expenditure line items above and below budget as of September 2024.

Steve Chiepalich, Independent Auditor

- **2023 Audit Report:** Gulf Corp Services serviced the association well with good internal controls and accurate record keeping for the fiscal year ending in December 2023. Have a good system with checks and balances to minimize the risk of any impropriety. The Association is in sound financial condition with no negative findings. Federal and State income taxes were filled on time without any significant taxes due.
- **2024 Summary** – Steve noted that capital projects completed from 2022 to 2024 to maintain the building totaled around $2 million dollars. Half of this is the elevator modernization and cab refurbishment project. Reviewed the proposed 2025 budget which did not reflect a dues increase for 2025. Noted that there was a $1 million insurance assessment due on September 1, 2025. Steve noted the valuable third-party revenue source for beach concessions and service fee with an anticipated $392,000 on the proposed 2025 budget. Insurance premiums will not be known until April as the policy renews May 1st.

Question: Arthur Cranston, Unit 6704/6406/6606, asked if in the future with the use of more electric cars would the Board look at charging for the usage of the charging station?
Answer: David Harrison, Board President, stated that when the charging station was original installed the Board looked at it as a potential revenue source, but right now there is no charge for using. It is a rental insensitive for the property. If the of electric cars increase and the charging station starts to get a lot of use then yes, we will consider charging.

Question: Norman Tarantola, Unit 1108, asked if Phoenix VI advertises the charging station as an amenity?
Answer: Ricky Johnson, Association Manager, stated the charging station is noted as an amenity for the Phoenix VI property and it is advertised on the Brett Robinson website.

Comment: David Harrison, Board President, stated that they would reach out to other rental companies to make sure that the charging stations is listed on their sites as well.

Question: Robert Shoff, Unit 61112, asked what agency determined the valuation of the building?
Answer: Mr. Harrison, Board President, hired an outside agency John Fitzgerald property appraiser. Fitzgerald Services uses CoreLogic in their appraisal process.

Question: Robert Shoff, Unit 61112, asked if there was only one company that did the evaluations of the building?
Answer: Mr. Harrison, Board President, stated that only one company was hired.

Question: Cindy Chandler, Unit 6413, asked if insurance assessment being $1 million dollars was in addition to the funds already being budgeted for insurance?
Answer: Mr. Harrison, Board President, stated that the proposed budget line item 7320 for Flood Insurance is $88,000, and line item 7330 for Multi-risk Insurance is $1,100,000. The $1 million insurance assessment goes into Operating to offset the cost difference.

Remark: Cindy Chandler, Unit 6413, looks like prior to the assessment we only budgeted for $200,000.
Comment: Mr. Harrison, Board President, stated that we were budgeting for $1,100,000 for property insurance. Last year we budget for $700,000 and the cost came in $350,000 so board adjusted the assessment for the short fall. Having to increase the insurance for 2025 due to the evaluation and anticipated increase.

Question: Cindy Chandler, Unit 6413, asked if the insurance premium came in less of higher could we expect a change in the assessment?
Answer: Mr. Harrison, Board President, yes, we would adjust the assessment just like we did last year.

Question: Nancy Wood, Unit 6903, asked if all of the insurance would be coming out of the assessment.
Answer: Mr. Harrison, Board President, stated that not enough money comes out HOA dues and revenue to cover the insurance. Board chose to do an assessment to cover the insurance verses raising the dues. So, yes $1 million dollars will come out of the assessment to cover the insurance premium.

Comment: Owner stated that working with realtors that buyers feel more comfortable paying the lower HOA dues. The way Phoenix VI is doing it is the correct way with keeping dues down and doing assessments when needed.

MOTION: *Patricia Foster, Unit 61208, motion to ratify the 2025 budget to include the $1,000,000 insurance assessment due September 1, 2025. Charles Filippo, Unit 1209, seconded the motion. Motion passed unanimously.*

ELECTION OF DIRECTORS

Jerry Killough stated terms of David Harrison, Jim Herd and Dave Fernandez were expiring. Both David Harrison and Jim Herd were seeking reelection. Three open board positions for a 3-year term, and four candidates seeking election to the board. Faye Jones and Jerry McBride provided a brief bio along with a candidate bio form, which was presented to the ownership within the meeting packet handouts.

Jerry Killough opened the floor for nominations. With no nomination Vice-President Killough closed the nominations. Steve Chiepalich, CPA, tallied the votes.

Recognize New Board Member: President Harrison reported the results of the ownership vote for the election of three board members. Mr. Harrison welcomed Jim Herd and Faye Jones to the Board. Thanked the owners for re-electing him to serve on the Board again. Each would serve a three-year term.

OLD BUSINESS

A. Zero Entry Pool

- Cost was going to be around $600,000 which Board decided was too much at this time.
- Wheelchair lift chair was too much of a liability.

B. Third Party Revenue Generating

- Looked at turning the small meeting room into a bar and grill. Talked to restaurants and food truck said they just do not have the labor to staff.
- Hot dog cart by the outdoor pool area.

NEW BUSINESS

President David Harrison opened up the floor to owners.

Question: Faya Sanders, Unit 61403, asked if a steam room could be added to the budget?
Answer: Mr. Harrison, Board President, stated that there is a sauna.
Remark: Faya Sanders, Unit 61403, stated she was in reference of a steam room not a dry air sauna.

Comment: Faya Sanders, Unit 61403, stated that the elevators were dirty and that her patio furniture was removed from her balcony due to rust without permission.
Remark: Mr. Harrison, Board President, stated that the items inside your unit would have to addressed with the rental company as the HOA does not remove items from units. The elevators are being completely modernized inside and out with new floors, walls, and glass. Encouraged owners if the saw any housekeeping issues to bring it to the staff's attentions.
Comment: Wiley Latner, Facilities Manager, stated that the building was currently down to two elevators as the other two were being modernized. He stated as such it is difficult to leave only one elevator running in order to deep clean the other like facilities would normally do when all four elevators are operational. However, each of the two elevators in service are being cleaned daily.

Question: Mary Leslee Haseltine, Unit 61509 Asked if the Board was going to check on getting keyless entry locks for the unit doors? Would this be a revenue generator in any way?
Answer: Mr. Harrison, Board President, Owners own the locks on the unit doors or are handled by their rental company. The Board looked at going to a building wide keyless entry system a few years back, but due to cost decided at that time not to pursue. There would be an additional cost and it would not be a source of revenue.

Question: Ron Mass, Unit 6904, (Zoom) asked if the unit doors would be painted? Several are in really bad shape; this is one of the first things that guests see.
Answer: Mr. Harrison, Board President, stated the board budgeted for 15 of the doors to be replaced in 2025. The worst doors were identified by facilities. Staff does paint the doors throughout the year.
Remark: Jerry Killough, Vice-President, stated that $40,000 was approved to replace 15 worst doors.

Question: Ron Mass, Unit 6904, asked about the outdoor pool and if another set of steps could be added that are not as high or tall as the current ones?
Answer: Mr. Harrison, Board President, stated that this was something the Board will put on the agenda to look into.

Comment: Owner stated that they have noticed the facility workers painting unit doors and touching up doors.

Question: Faya Sanders, Unit 1403, asked if he steam room could be brought to the ownership to vote on?
Answer: Mr. Harrison, Board President, yes, we will put the steam room on the list and identify an area for a steam room and get some prices on installing?

Question: Owner asked about the keyless locks and with several Phoenix building already going to this system and if it was strictly just the money issue?
Answer: Mr. Harrison, Board President, stated that the Board had looked at going to the Kaba Locks, but would check into pricing them again.

Question: Vicki Kelley, Unit 61205, stated had a private unit and did not want to go to a keyless entry, and asked if the Board decided on this if she could be exempt?
Answer: Mr. Harrison, Board President, stated that the Board would look at all of that if the Association were to go to a keyless system.
Comment: Robert Shoff, Unit 61112, stated that with the whole building going to a keyless system online with all the hacking taking place may not be a good idea.
Remark: Mr. Harrison, Board President, stated that the newer Phoenix buildings are going to the Kaba Locks which are a key pad. The cost is about $500 each plus the coat of installation. There are 217 units in our building.

Comment: Patricia Foster, Unit 1208, stated that she has a sledge keyless entry and the first storm you have it loses access.
Remark: Ricky Johnson, Association Manager, stated that several other Phoenix buildings have gone with the Kaba Locks and they have held up very well.

Question: Jim Jones, Unit 6803, asked if adjustable basketball goals could be put up for the smaller kids?
Answer: Mr. Harrison, Board President, stated that didn't think adjustable one would be a good idea. Would look at putting up another one that is smaller.

Question: Jim Jones, Unit 6803, asked if there was any preventative maintenance that was being done on the condensers for the units?
Answer: Mr. Harrison, Board President, stated that no, the A/C condensers on the roof belong to the owners. Each owner would have hire a contractor to service their individual a/c unit.

Question: Bob Miller, Unit 61413, asked if Facilities cleaned the dryer vent lines?
Answer: Mr. Harrison, Board President, stated each owner is responsible to clean their dryer vent line.

Question: Owner asked if there was a way to label the A/C units on the roof it is hard for A/C contractors to identify which unit belongs to the condo requesting maintenance?
Answer: Ricky Johnson, Association Manager, stated since the roof project all of the A/C units have been labeled and now have new aluminum struts and straps.

Remark: Faye Jones, Unit 6803 stated that in the past a better smoking section had been discussed; not right outside the front entrance. Noticed that there is a lot of issues with smoking on the balconies and not all of it being cigarette smoke.
Comment: Mr. Harrison, Board President, stated that the Board meet yesterday and discussed having the smoking area moved to the underground owners parking deck near the southeast stairwell.
Question: Faye Jones, Unit 6803, asked if they would be addressing smoking on the balconies?
Answer: Mr. Harrison, Board President, stated that more signage had been put up regarding no smoking. Service Desk and security try and identify guest that are smoking and give them a warning and some have been fined and evicted from the building.
Remark: Owner stated that around 40 to 50 percent of their guest smoke. Smokers stated that they keep getting pushed to the back and further away. They state that their perspective is important.
Comment: Mr. Harrison, Board President, stated just by the entrance were guest and owners enter the building is just not a good area for it.

Question: Owner asked if security was checking to see if the pets at the building belonged to owners? Recently had damage in her unit from what appeared to be from a dog.
Answer: Mr. Harrison, Board President, stated that owner's pets should have a pet tag identifying them. Security does stop and question anyone that does not have a tag to determine if they are owners. Have had a couple of times when the facilities were opened to Hurricane evacuees. It is a case-by-case basis and owners are called to see if they would allow pets in their unit.

Question: Faya Sanders, Unit 1403, asked if there was a way to get additional owner parking passes?
Answer: Mr. Harrison, Board President stated that owner parking passes could be purchased from the Association Office for $25 for replacement of one pass.
Question: Faya Sander, Unit 1403, asked since owners have been hit with all the assessments, could they have some kind of break on the cost of replacing an owner parking pass when needed?
Answer: Ricky Johnson, Association Manager, stated that the rules and regulations state if you lose a pass there is a $25 replacement fee for the first replacement. If you have to replace your pass again within two years of the first replacement pass purchased, then the second replacement pass will cost $100.
Comment: David Harrison, Board President, stated that the reason for the rules and regulations for parking passes was because owners were abusing the system. They would state that the lost their parking pass and accumulate 4 or 5 and then hand them out to guest. This was causing the association to lose parking revenue. There is a line item on the budget for 3rd party revenue for $340,000 for income for the sale of parking passes. When such activity occurs, it decreases our revenue. Also, there is a limited amount of parking spots which we also have to consider as well.
Comment: Owners stated that the owners could leave their parking passes in the owner file at the front desk, so you don't have to worry about misplacing it.
Remark: David Harrison, Board President stated that they would discuss parking passes at the next board meeting.

Question: Vicki Freeman, Unit 1402, asked if guest paid for parking passes for the deeded parking garage spots?
Answer: David Harrison, Board President, stated that the owners make that determination if you want your guest to pay for the deeded parking space. Need to make sure that your rental company knows that your guest will be using

your deeded garage parking space and if you would like for them to pay to use the space. If your guest is going to using your deeded parking space at no charge, they just pick up the pass at the service desk at no charge.

Pheonix VI Website – Jerry Killough

- Jerry Killough, Vice President, reviewed the new website that was created for Pheonix VI to the owners.

RATIFY ACTIONS OF 2024 BOARD

MOTION: *Delano Matson (61002) made a motion to ratify the actions of the 2024 board. Mel Fortmayer (6312) seconded the motion. The motion carried unanimously.*

ADJOURNMENT

. With no further business to discuss, President Harrison adjourned the meeting at 11:46 A.M.

Kathy Trice

MINUTES APPROVED
11-16-2024 eh

11/15/25

DATE

Phoenix VI Association, Inc.
Board of Directors Email Meeting
Tuesday, April 29, 2025

Board Members in Attendance:

President: David Harrison
Vice President: Jerry Killough
Secretary/Treasurer: Kathy Trice
Director: Joseph Maitrejean Jr.
Director: William Haas
Director: Jim Herd
Director: Fay Jones

Gulf Corp Services Representatives in Attendance:

Ricky Johnson, Association Manager
Emily Holcomb, Association Assistant

CALL TO ORDER

President David Harrison called the email board meeting to order on Tuesday, April 29, 2025.

NEW BUSINESS

The Board met via email to review and discuss the 2025/2026 insurance renewal proposal for Phenix VI presented by Valent Group. Insured value for Phoenix VI is $54,250,532 and deductible for a named storm would be 5% ($2,712,527).

__MOTION:__ *Bill Hass made a motion to accept the insurance premium as presented for $464,413.08 to include a 5% deductible. Jerry Killough seconded the motion. Vote: Joseph Maitrejean Jr. (no response), Jim Herd (yes), William Haas (yes), Jerry Killough (yes), David Harrison (yes), Kathy Tice (yes), Fay Jones (no response). Motion carried with majority vote.*

ADJOURNMENT

With no further business to discuss, President Harrison adjourned the meeting.

Kathy Trice
MINUTES APPROVED

11/15/25
DATE

4/29/2025 eh

Phoenix VI Association, Inc.
Board of Directors Email Meeting
Wednesday, April 30, 2025

Board Members in Attendance:

President: David Harrison
Vice President: Jerry Killough
Secretary/Treasurer: Kathy Trice
Director: Joseph Maitrejean Jr.
Director: William Haas
Director: Jim Herd
Director: Fay Jones

Gulf Corp Services Representatives in Attendance:

Ricky Johnson, Association Manager
Emily Holcomb, Association Assistant

CALL TO ORDER

President David Harrison called the email board meeting to order on Tuesday, April 30, 2025.

NEW BUSINESS

The Board met via email to discuss reducing the Insurance Assessment approved in the 2025 Budget from $1,000,000 to $500,000, which will be due September 1, 2025. The insurance premium is due in May; therefore, the Association will borrow the necessary funds from the Capital Reserve and repay the Reserve once the assessment funds are received.

MOTION: *Kathy Trice made a motion to reduce the Insurance Assessment to $500,000 and borrow the necessary funds from the Capital Reserve to pay the premium due in May. Joe Maitrejean seconded the motion. Motion carried with majority vote.*

ADJOURNMENT

With no further business to discuss, President Harrison adjourned the meeting.

Kathy Trice
MINUTES APPROVED
4/30/2025 eh

11/15/25
DATE

Phoenix VI Association, Inc.
Board of Directors Email Meeting
Thursday, January 04, 2025

Board Members in Attendance:

President: David Harrison
Vice President: Jerry Killough
Secretary/Treasurer: Kathy Trice
Director: Faye Jones
Director: William Haas
Director: Jim Herd
Director: Joseph Maitrejean Jr.

Gulf Corp Services Representatives in Attendance:

Ricky Johnson, Association Manager
Emily Holcomb, Association Assistant

CALL TO ORDER

President David Harrison called the email board meeting to order on Saturday, January 4, 2025.

NEW BUSINESS

Board met through email to discuss bid from Dobson Sheet Metal & Roofing & Specialties, Inc. to replace the elevator shaft roof and would provide a 20-year NDL warranty from GAF upon completion. Bid is $33,900.

MOTION: *Jerry Killough made a motion to approve Dobson Sheet Metal & Roofing Specialties Inc. for $33,900 to replace the elevator shaft roof. Bill Haas seconded the motion. Motion passed with approval from the Board.*

ADJOURNMENT

With no further business to discuss, President Harrison adjourned the meeting.

Kathy Trice
MINUTES APPROVED
8/06/2025 eh

11/15/25
DATE

Balance Sheet

Properties: Phoenix VI Association Inc - P.O. Box 1339 Gulf Shores, AL 36547
As of: 01/31/2026
Accounting Basis: Accrual
GL Account Map: P6 - Phoenix VI Association
Level of Detail: Detail View
Include Zero Balance GL Accounts: No

Account Number	Account Name	Balance
	ASSETS	
	Cash	
	CURRENT ASSETS - Cash	
1001	Columbia Bank 0158	52,217.12
1004	Hancock Whitney Bank 24 Ins Asmt 4631- 3.25%	119,796.81
1006	Community Bank 5648- 3.928%	121,173.13
1015	CD CMTY EMC 8903 1/13/26- 2.33%	1,000.00
	Total CURRENT ASSETS - Cash	**294,187.06**
	RESERVE CASH	
2611	ICS/MM Smart Bank Hurr Ins 6140- 3.85%-3.33%	1,389,856.90
2613	Origin Bank 8900- 3.10%	448,668.95
	Total RESERVE CASH	**1,838,525.85**
	Total Cash	**2,132,712.91**
	CURRENT ASSETS	
1030	Accounts Receivable	11,362.15
2020	Prepaid Insurance	169,622.64
2021	Prepaid Expenses - Other	20,270.12
	Total CURRENT ASSETS	**201,254.91**
	FIXED ASSETS	
2400	Furniture & Equipment	110,696.44
2500	Accumulated Depreciation	-94,476.46
	Total FIXED ASSETS	**16,219.98**
	TOTAL ASSETS	**2,350,187.80**
	LIABILITIES & CAPITAL	
	Liabilities	
	CURRENT LIABILITIES	
3010	Accounts Payable	52,562.77
3011	Accounts Payable - Accrued	49,000.00
3315	Deferred Insurance Proceeds	1,936,949.26
4998	Prepaid Assessments	76,629.03
	Total CURRENT LIABILITIES	**2,115,141.06**
	Total Liabilities	**2,115,141.06**
	Capital	
	EQUITY	
4900	Fund Balance	439,206.80
4902	Contributed Capital- Owner	128,572.00
	Total EQUITY	**567,778.80**
	Calculated Retained Earnings	-81,211.63
	Calculated Prior Years Retained Earnings	-251,520.43

Balance Sheet

Account Number	Account Name	Balance
	Total Capital	**235,046.74**
	TOTAL LIABILITIES & CAPITAL	**2,350,187.80**

Annual Budget - Comparative

Properties: Phoenix VI Association Inc - P.O. Box 1339 Gulf Shores, AL 36547
As of: Jan 2026
Additional Account Types: None
Accounting Basis: Accrual
GL Account Map: P6 - Phoenix VI Association
Level of Detail: Detail View

MTD Actual	MTD Budget	MTD $ Var.	Account Number	Account Name	YTD Actual	YTD Budget	YTD $ Var.	Annual Budget
				Income				
145,630.00	145,630.00	0.00	5010	Condo Fee Monthly Dues	145,630.00	145,630.00	0.00	1,747,560.00
0.00	0.00	0.00	5026	2026 Insurance Assessment	0.00	0.00	0.00	500,000.00
734.65	291.67	442.98	5030	Interest Income	734.65	291.67	442.98	3,500.00
204.93	177.00	27.93	5050	Vending Machine Income	204.93	177.00	27.93	10,000.00
0.00	0.00	0.00	5070	Beach Concession Income	0.00	0.00	0.00	54,000.00
4,586.05	4,869.00	-282.95	5075	Service Fee Income	4,586.05	4,869.00	-282.95	335,000.00
0.00	375.00	-375.00	5110	Meeting Room Income	0.00	375.00	-375.00	4,500.00
142.43	116.67	25.76	5130	Late Charges	142.43	116.67	25.76	1,400.00
151,298.06	**151,459.34**	**-161.28**		**Total Operating Income**	**151,298.06**	**151,459.34**	**-161.28**	**2,655,960.00**
				Expense				
				1 - LABOR				
58,404.95	61,179.00	2,774.05	7011	Facility Labor	58,404.95	61,179.00	2,774.05	617,963.00
25,821.04	27,419.00	1,597.96	7040	Security Labor	25,821.04	27,419.00	1,597.96	289,607.00
84,225.99	**88,598.00**	**4,372.01**		**Total 1 - LABOR**	**84,225.99**	**88,598.00**	**4,372.01**	**907,570.00**
				2 - UTILITIES				
6,212.02	6,200.00	-12.02	7120	Water	6,212.02	6,200.00	-12.02	93,000.00
6,160.00	6,160.00	0.00	7130	Sewer	6,160.00	6,160.00	0.00	73,920.00
9,743.14	9,269.00	-474.14	7140	Electricity	9,743.14	9,269.00	-474.14	118,881.00
3,689.11	3,625.00	-64.11	7150	Garbage Service	3,689.11	3,625.00	-64.11	43,500.00
25,804.27	**25,254.00**	**-550.27**		**Total 2 - UTILITIES**	**25,804.27**	**25,254.00**	**-550.27**	**329,301.00**
				3 - CABLE & INTERNET				
18,500.00	18,500.00	0.00	7160	Cable TV	18,500.00	18,500.00	0.00	222,000.00
18,500.00	**18,500.00**	**0.00**		**Total 3 - CABLE & INTERNET**	**18,500.00**	**18,500.00**	**0.00**	**222,000.00**
				4 - INSURANCE				
6,528.33	6,528.00	-0.33	7320	Flood Insurance	6,528.33	6,528.00	-0.33	79,964.00
38,696.76	38,696.00	-0.76	7330	Multi-Risk Insurance	38,696.76	38,696.00	-0.76	455,247.00
45,225.09	**45,224.00**	**-1.09**		**Total 4 - INSURANCE**	**45,225.09**	**45,224.00**	**-1.09**	**535,211.00**
				5 - MAINTENANCE				
1,200.00	1,200.00	0.00	7500	Annual Roof Maintenance/ Repairs	1,200.00	1,200.00	0.00	1,500.00
3,214.67	4,269.75	1,055.08	7510	Elevator Maintenance	3,214.67	4,269.75	1,055.08	51,237.00

Annual Budget - Comparative

MTD Actual	MTD Budget	MTD $ Var.	Account Number	Account Name	YTD Actual	YTD Budget	YTD $ Var.	Annual Budget
				Contract				
0.00	208.33	208.33	7515	Excess Elevator Maintenance	0.00	208.33	208.33	2,500.00
1,718.25	1,736.00	17.75	7520	Pest Control Contract	1,718.25	1,736.00	17.75	20,832.00
987.63	2,500.00	1,512.37	7540	Fire Protection	987.63	2,500.00	1,512.37	30,000.00
0.00	250.00	250.00	7555	Grinder Pump Maintenance	0.00	250.00	250.00	3,000.00
0.00	125.00	125.00	7560	Domestic Water Pump Maint	0.00	125.00	125.00	1,500.00
0.00	583.33	583.33	7565	Diesel Generator	0.00	583.33	583.33	7,000.00
0.00	41.67	41.67	7570	Lawn Sprinkler System Maint	0.00	41.67	41.67	500.00
795.63	1,125.00	329.37	7575	Air Conditioner Maintenance	795.63	1,125.00	329.37	13,500.00
2,298.89	2,300.00	1.11	7576	Cooling Tower	2,298.89	2,300.00	1.11	6,000.00
3,565.00	3,743.33	178.33	7580	Lawn Maintenance	3,565.00	3,743.33	178.33	44,920.00
250.00	83.34	-166.66	7581	Excess Lawn Maintenance	250.00	83.34	-166.66	1,000.00
909.61	416.67	-492.94	7585	Painting Supplies	909.61	416.67	-492.94	5,000.00
19,777.69	6,250.00	-13,527.69	7590	General Maintenance	19,777.69	6,250.00	-13,527.69	75,000.00
0.00	166.67	166.67	7591	Floor Scrubber	0.00	166.67	166.67	2,000.00
0.00	250.00	250.00	7593	Luggage Carts	0.00	250.00	250.00	3,000.00
6,215.00	2,500.00	-3,715.00	7594	Window Glass/ Door Replacement	6,215.00	2,500.00	-3,715.00	30,000.00
0.00	420.83	420.83	7595	Asphalt/Drainage Repair	0.00	420.83	420.83	5,050.00
0.00	166.67	166.67	7597	Automatic Lobby Door	0.00	166.67	166.67	2,000.00
120.00	125.00	5.00	7598	Lobby Furnishings	120.00	125.00	5.00	1,500.00
41,052.37	**28,461.59**	**-12,590.78**		**Total 5 - MAINTENANCE**	**41,052.37**	**28,461.59**	**-12,590.78**	**307,039.00**
				6 - POOL				
1,135.84	2,083.34	947.50	7710	Pool Chemicals	1,135.84	2,083.34	947.50	25,000.00
0.00	250.00	250.00	7711	Pool Furniture	0.00	250.00	250.00	3,000.00
1,074.76	1,050.00	-24.76	7713	Pool Licenses	1,074.76	1,050.00	-24.76	1,050.00
0.00	333.34	333.34	7714	Jacuzzi	0.00	333.34	333.34	4,000.00
2,040.24	1,416.67	-623.57	7715	Pool Maintenance	2,040.24	1,416.67	-623.57	17,000.00
4,250.84	**5,133.35**	**882.51**		**Total 6 - POOL**	**4,250.84**	**5,133.35**	**882.51**	**50,050.00**
				7 - OTHER				
-52.05	666.67	718.72	7720	Professional Services	-52.05	666.67	718.72	8,000.00
6,076.00	6,076.00	0.00	7725	Management Fees	6,076.00	6,076.00	0.00	72,912.00
3,156.79	2,083.33	-1,073.46	7730	Custodial Supplies	3,156.79	2,083.33	-1,073.46	25,000.00
241.88	100.00	-141.88	7735	Fitness Room/ Equipment	241.88	100.00	-141.88	1,200.00
515.75	665.00	149.25	7740	Office Supplies	515.75	665.00	149.25	7,980.00
0.00	208.33	208.33	7741	Signs	0.00	208.33	208.33	2,500.00
0.00	0.00	0.00	7742	Owners' Dinner/ Annual Meeting	0.00	0.00	0.00	5,500.00

Annual Budget - Comparative

MTD Actual	MTD Budget	MTD $ Var.	Account Number	Account Name	YTD Actual	YTD Budget	YTD $ Var.	Annual Budget
0.00	250.00	250.00	7743	Lighting-Bulbs/ Fixtures/Exterior	0.00	250.00	250.00	3,000.00
0.00	4.17	4.17	7745	Bank Charges	0.00	4.17	4.17	50.00
0.00	8.34	8.34	7749	Carpet Meeting Room & Foyer	0.00	8.34	8.34	100.00
0.00	20.83	20.83	7750	Meeting Room Supplies	0.00	20.83	20.83	250.00
362.99	41.67	-321.32	7751	Meeting Room Furniture	362.99	41.67	-321.32	500.00
0.00	166.67	166.67	7760	Tennis/ Racquetball Courts	0.00	166.67	166.67	2,000.00
247.50	225.00	-22.50	7765	Plants Inside	247.50	225.00	-22.50	2,700.00
0.00	0.00	0.00	7770	Uniforms	0.00	0.00	0.00	6,840.00
88.01	525.00	436.99	8100	Taxes and License	88.01	525.00	436.99	6,300.00
0.00	0.00	0.00	8400	Depreciation	0.00	0.00	0.00	4,325.00
3,421.00	6,250.00	2,829.00	8530	All-in-Claims	3,421.00	6,250.00	2,829.00	75,000.00
100.00	361.33	261.33	8700	Service Fee Passes	100.00	361.33	261.33	4,336.00
0.00	0.00	0.00	8800	Christmas Decorations	0.00	0.00	0.00	1,000.00
14,157.87	**17,652.34**	**3,494.47**		**Total 7 - OTHER**	**14,157.87**	**17,652.34**	**3,494.47**	**229,493.00**
233,216.43	**228,823.28**	**-4,393.15**		**Total Operating Expense**	**233,216.43**	**228,823.28**	**-4,393.15**	**2,580,664.00**
151,298.06	151,459.34	-161.28		Total Operating Income	151,298.06	151,459.34	-161.28	2,655,960.00
233,216.43	228,823.28	-4,393.15		Total Operating Expense	233,216.43	228,823.28	-4,393.15	2,580,664.00
-81,918.37	**-77,363.94**	**-4,554.43**		**NOI - Net Operating Income**	**-81,918.37**	**-77,363.94**	**-4,554.43**	**75,296.00**
				Other Income				
				CAPITAL RESERVE INCOME				
14,601.00	14,601.00	0.00	5012	Capital Reserve Monthly Dues	14,601.00	14,601.00	0.00	175,212.00
5,626.74	6,250.00	-623.26	6008	Capital Reserve Interest Income	5,626.74	6,250.00	-623.26	75,000.00
20,227.74	**20,851.00**	**-623.26**		**Total CAPITAL RESERVE INCOME**	**20,227.74**	**20,851.00**	**-623.26**	**250,212.00**
20,227.74	**20,851.00**	**-623.26**		**Total Other Income**	**20,227.74**	**20,851.00**	**-623.26**	**250,212.00**
				Other Expense				
				CAPITAL EXPENDITURES				
19,521.00	26,666.67	7,145.67	9000	Capital Expenditures	19,521.00	26,666.67	7,145.67	320,000.00
19,521.00	**26,666.67**	**7,145.67**		**Total CAPITAL EXPENDITURES**	**19,521.00**	**26,666.67**	**7,145.67**	**320,000.00**
19,521.00	**26,666.67**	**7,145.67**		**Total Other Expense**	**19,521.00**	**26,666.67**	**7,145.67**	**320,000.00**

Annual Budget - Comparative

MTD Actual	MTD Budget	MTD $ Var.	Account Number	Account Name	YTD Actual	YTD Budget	YTD $ Var.	Annual Budget
706.74	**-5,815.67**	**6,522.41**		**Net Other Income**	**706.74**	**-5,815.67**	**6,522.41**	**-69,788.00**
171,525.80	172,310.34	-784.54		Total Income	171,525.80	172,310.34	-784.54	2,906,172.00
252,737.43	255,489.95	2,752.52		Total Expense	252,737.43	255,489.95	2,752.52	2,900,664.00
-81,211.63	**-83,179.61**	**1,967.98**		**Net Income**	**-81,211.63**	**-83,179.61**	**1,967.98**	**5,508.00**

Phoenix VI Association
2026 Approved Budget

GL#	Account Name	2023 Final	2024 Final	2025 Approved Budget	2025 Anticipated Final	2026 Approved Budget
5010	Condo Fee Monthly Dues	1,615,258	1,747,560	1,747,560	1,747,560	1,747,560
5016	2024 Insurance Assessment	624,521	349,703	1,000,000	521,760	500,000
5030	Interest Income	6,922	8,212	6,000	3,500	3,500
5050	Vending Machine Income	7,560	10,978	10,000	10,000	10,000
5070	Beach Concession Income	46,205	54,077	52,500	54,000	54,000
5075	Service Fee Income	354,087	355,606	340,000	345,000	335,000
5110	Meeting Room Income	3,235	4,915	4,000	4,500	4,500
5130	Late Charges	2,740	1,776	1,400	1,400	1,400
	TOTAL REVENUE	**2,660,528**	**2,532,825**	**3,161,460**	**2,687,720**	**2,655,960**
7011	Facility Labor	567,652	582,301	620,751	583,441	617,963
7040	Security Labor	240,278	237,235	258,856	261,941	289,607
7120	Water	81,412	87,028	89,500	92,000	93,000
7130	Sewer	73,920	73,920	73,920	73,920	73,920
7140	Electricity	95,854	114,379	111,000	116,550	118,881
7150	Garbage Service	42,955	43,465	43,000	43,500	43,500
7160	Cable TV	206,810	222,000	222,000	222,000	222,000
7320	Flood Insurance	58,084	67,991	88,074	76,586	79,962
7330	Multi-Risk Insurance	755,972	788,110	1,100,000	544,146	455,247
7500	Annual Roof Maintenance/Repairs	875	371	1,500	1,500	1,500
7510	Elevator Maintenance Contract	46,457	47,873	20,000	48,962	51,237
7515	Excess Elevator Maintenance	1,334	2,015	4,000	2,500	2,500
7520	Pest Control Contract	18,138	19,214	18,000	19,530	20,832
7540	Fire Protection	26,828	26,053	28,200	25,000	30,000
7545	Fountains	0	0	0	235	0
7555	Grinder Pump Maintenance	1,900	3,123	5,000	3,000	3,000
7560	Domestic Water Pump Maint	0	0	1,500	1,500	1,500
7565	Diesel Generator	13,597	6,580	4,500	4,500	7,000
7570	Lawn Sprinkler System Maint	605	1,537	500	500	500
7575	Air Conditioner Maintenance	4,508	8,580	9,000	13,000	13,500
7576	Cooling Tower	3,425	11,086	6,000	6,000	6,000
7580	Lawn Maintenance	30,038	33,711	42,000	42,780	44,920
7581	Excess Lawn Maintenance	11,368	2,971	1,000	1,000	1,000
7585	Painting Supplies	2,052	4,142	3,500	3,850	5,000
7590	General Maintenance	42,116	51,676	65,000	71,500	75,000
7591	Floor Scrubber	1,507	284	1,500	1,500	2,000
7593	Luggage Carts	461	1,043	3,000	1,500	3,000
7594	Window Glass/Door Replacement	24,597	33,534	30,000	30,000	30,000
7595	Asphalt/Drainage Repair	0	4,950	4,000	0	5,050
7597	Automatic Lobby Door	1,393	2,164	2,500	2,500	2,000
7598	Lobby Furnishings	405	848	1,200	1,350	1,500
7710	Pool Chemicals	17,100	24,285	25,000	25,000	25,000
7711	Pool Furniture	3,595	0	3,500	3,000	3,000
7713	Pool Licenses	1,110	1,050	1,050	1,050	1,050
7714	Jacuzzi	4,580	7,274	4,000	4,000	4,000
7715	Pool Maintenance	12,886	25,529	14,000	17,000	17,000
7720	Professional Services	12,310	15,775	8,000	8,000	8,000
7725	Management Fees	65,100	65,100	72,912	72,912	72,912
7730	Custodial Supplies	12,134	17,830	20,000	20,000	25,000
7735	Fitness Room/Equipment	1,251	1,951	1,200	1,200	1,200

Phoenix VI Association
2026 Approved Budget

GL#	Account Name	2023 Final	2024 Final	2025 Approved Budget	2025 Anticipated Final	2026 Approved Budget
7740	Office Supplies	7,436	7,723	7,500	7,600	7,980
7741	Signs	1,210	2,637	3,000	3,000	2,500
7742	Owners' Dinner/Annual Meeting	8,848	6,573	8,200	5,500	5,500
7743	Lighting-Bulbs/Fixtures/Exterior	3,209	5,980	5,200	3,000	3,000
7745	Bank Charges	791	27	50	50	50
7749	Carpet Meeting Room & Foyer	0	80	100	100	100
7750	Meeting Room Supplies	0	427	1,000	250	250
7751	Meeting Room Furniture	751	0	500	500	500
7760	Tennis/Racquetball Courts	1,472	20,207	3,000	2,000	2,000
7765	Plants Inside	2,475	2,700	2,700	2,700	2,700
7770	Uniforms	4,923	5,909	6,205	6,514	6,840
8100	Taxes and License	5,487	8,261	8,000	3,468	6,300
8400	Depreciation	7,706	4,325	9,203	4,325	4,325
8530	All-in-Claims	140,337	17,450	75,000	75,000	75,000
8700	Service Fee Passes	696	4,700	2,100	1,775	4,336
8800	Christmas Decorations	0	311	1,000	1,000	1,000
	TOTAL EXPENSES	**2,669,948**	**2,724,288**	**3,141,420**	**2,565,234**	**2,580,662**
	OPERATING PROFIT/LOSS	**-9,420**	**-191,463**	**20,040**	**122,486**	**75,298**
	CAPITAL RESERVE CONTRIBUTION	161,570	173,020	175,000	174,756	174,756
	CAPITAL RESERVE BALANCE @ 01/01	3,901,446	3,407,520	2,080,077	2,080,077	1,785,203
5012	**Capital Reserve Monthly Dues**	161,570	175,212	175,000	175,212	175,212
6002	**Capital Reserve Assessment**					
6008	**Capital Reserve Interest Income**	132,936	101,052	80,000	75,000	75,000
9000	**CAPITAL EXPENDITURES**	**752,683**	**1,453,738**	**175,000**	**545,086**	
	Boardwalk Re-Decking Project/Handrails	87,800				
	Dehumidifier Project	236,127				
	Balcony Coating Project/Concrete Repairs	319,610				
	Replace Pool Deck Expansion Joints	31,200				
	Wash & Seal Upper Parking Deck	14,837	42,775			
	Elevator Modernization Project		1,149,806		211,089	
	Lobby Furniture		27,803			
	Replace Fire Pump System		5,813			
	Common Area A/Cs		21,000		72,779	
	Replace Screen Doors		6,810			
	Guard House Renovation		19,641			
	Cooling Tower		29,080		61,318	
	Stairwell Pressure Fans & Motors		13,995			
	Walkway Light Projects		20,729		49,387	
	Pool Furniture		31,852		6,917	
	Pool Area/Project		24,500		93,555	
	Asphalt Project		28,500			
	Tennis Court Benches				2,178	
	Elevator Equipment Room Roof				33,900	
	Dehumidifier Boster Pump				7,200	
	Basketball Goal				3,450	
	Water Heater Restrooms/Lobby				1,650	
	Security Camera Basketball Area				1,663	
	Repair/Repaint Balcony Handrails					300,000
	Resurface Hot Tubs					20,000

Phoenix VI Association
2026 Approved Budget

GL#	Account Name	2023 Final	2024 Final	2025 Approved Budget	2025 Anticipated Final	2026 Approved Budget
	Other	24,244	6,818			
	CAPITAL RESERVE BALANCE @ 12/31	3,407,520	2,080,077		1,785,203	
6010	Hurricane Assessment		21,422			
6015	Hurricane Insurance Proceeds		1,257,104			
9011	Hurricane Repairs - Wind					

PHOENIX VI ASSOCIATION

RULES AND REGULATIONS

I. Parking

A. General

1. All vehicles must display a current, authorized pass.

2. Absence of a pass for identification will result in vehicle being towed from parking lot at owner's expense.

3. If identifiable, owner will be notified if pass is improper. Owner will have four (4) hours to obtain proper pass or remove vehicle before it will be towed at owner's expense.

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1. Owners will be allotted two passes per unit owned. The authorized owner's permit is physically transferable from one vehicle to another. Permanent residents (year round residents) will be permitted two additional passes.

2. Owners are allowed to purchase 1 replacement parking pass for $25.00 in a two-year span. Any additional passes during that time span forward will cost $100.00 each. This is a COD cost.

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C. RV's, Boats, Trailers, etc.

1. No long term storage is allowed.

2. Each parking space occupied requires a vehicle pass per above rules. (See section A part 1)

D. Handicapped parking

1. A handicapped parking permit does not guarantee a handicapped parking space.

2. Owners, renters, and visitors may use handicapped parking space if vehicle is so permitted.

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A. Absolutely no pets are allowed by renters or their guests. A pet or evidence of a pet, found on the premises will result in forfeiture of all rents and deposits, and immediate eviction.

B. Owners may have pets only in their condo or on a leash to and from authorized walking area, outside the fence, west of the parking lots. Owners must pick up after their pets. All other areas are off limits to pets. Owners must obtain a pet tag from the front desk for all pets at no charge to the owner.

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A. Walking or playing on dunes and habitat area is prohibited. If toys or equipment inadvertently lands there, retrieve with least disturbance.

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A. Hanging towels, swimsuits, etc. from the balcony railings is prohibited.

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C. Feeding birds from the balconies is prohibited.

D. Noises, music, instruments, etc. loud enough to disturb neighbors is prohibited.

E. The throwing or dropping of any item from balconies is prohibited.

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All swimming pools and hot tubs will be closed from 11:00 p.m. to 7:00 a.m. All posted rules apply.

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A. No lifeguard on duty. Swim at your own risk

B. No diving!

C. Children under 12 must be accompanied by an adult.

D. Pool use limited to owners and guests.

E. No running or rough play in pool area.

F. No glass containers allowed in or around pool.

G. No pets allowed in pool area.

H. Bathing suits required.

I. Pool may be closed for cleaning and water treatment when necessary.

J. Pool side furniture cannot be reserved.

K. Children who are not potty trained must wear protective swimwear. (Swimwear is available at front desk)

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A. Caution - floor and steps may be wet!

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E. 20 minute time limit when others are waiting.

F. Remove suntan oil before entering tubs.

G. No pets allowed.

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B. Racquetball Court - Must be 12 years old or accompanied by an adult. Eye protection must be worn. 2-hour time limit. Tennis shoes only. No wet clothing. The court closes at 10 p.m. Absolutely no black marking shoes. Please sign in at Front Desk**.**

C. Fitness Room - No food or drink permitted. Children under 16 years of age are not allowed. Use at your own risk. Keys at front desk. Keep door closed and locked.

D. Sauna - Keys are at the Front Desk. No children under 16 years of age allowed.

VII. General Rules

A. Rollerblading and skateboarding is prohibited on the property.

B. Bicycling is allowed only across parking lot to and from street.

C. Obey all posted rules and signs.

D. Property belonging to one Association may not be taken to another building or to an individual unit.

E. Smoking is permitted only in designated smoking areas. Smoking is prohibited in all common areas, including balconies, and in non-smoking units.

F. No throwing of objects other than on the beach.

G. Persons caught executing a false alarm is subject to arrest and $500 fine.

H. Phoenix VI prohibits the use of drones on or over Phoenix VI property.

VIII. Enforcement of Rules

A. Owners

1. Violation of a rule/rules for which penalty is not so above stated will be referred to the Association board for assessment of the appropriate penalty.

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1. Violation of a rule/rules for which penalty is not so above stated will be referred to Property Manager for penalty.

2. Failure to comply can lead to eviction and forfeiture of rents and deposits.

Management Company shall have the authority and responsibility to enforce and report any violations to above regulations.

February 2007
- Revised September 2009
- Revised November 2010
- Revised September 2015
- Revised November 2016

ACORD®

CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
05/12/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

PRODUCER			
Valent Group, LLC 1110 Montlimar Drive Suite 400 Mobile AL 36609	CONTACT NAME: □ayla Sosebee		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
	E-MAIL ADDRESS: kSosebee□ valentgroup.com		
	PRODUCER CUSTOMER ID: 00055593		
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED	INSURER A : SEE BELOW		
Phoenix VI Association Inc. c/o Brett Robinson PO Box 1339 Gulf Shores AL 36547	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** CP2551206226 **REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS IS TO CERTIF□ THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLIC□ PERIOD INDICATED. NOTWITHSTANDING AN□ RE□UIREMENT, TERM OR CONDITION OF AN□ CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MA□ BE ISSUED OR MA□ PERTAIN, THE INSURANCE AFFORDED B□ THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, E□CLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MA□ HAVE BEEN REDUCED B□ PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	X PROPERTY		SEE BELOW	05/01/2025	05/01/2026	X BUILDING	□ 54,250,532
	CAUSES OF LOSS	DEDUCTIBLES				PERSONAL PROPERT□	□
	BASIC	BUILDING See Below				BUSINESS INCOME	□
	BROAD	CONTENTS				E□TRA E□PENSE	□
	X SPECIAL					RENTAL VALUE	□
	EARTH□UA□E					BLAN□ET BUILDING	□
	WIND					BLAN□ET PERS PROP	□
	FLOOD					BLAN□ET BLDG □ PP	□
						X Replacement Cost	□
							□
	INLAND MARINE		T□PE OF POLIC□				□
	CAUSES OF LOSS						□
	NAMED PERILS		POLIC□ NUMBER				□
							□
	CRIME						□
	T□PE OF POLIC□						□
							□
	BOILER & MACHINERY / EQUIPMENT BREAKDOWN						□
							□
							□
							□

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
For Office Use	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**
	AUTHORIZED REPRESENTATIVE

AGENCY CUSTOMER ID: 00055593

LOC #:

ADDITIONAL REMARKS SCHEDULE

Page ____ of ____

AGENCY	NAMED INSURED
Valent Group, LLC	Phoenix VI Association Inc.
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 24 **FORM TITLE:** Certificate of Property Insurance

Participating Carriers □ Policy Numbers□
Layer □1 Special Risk Insurance Underwriters □Lloyd's of London□□5M p/o □25M□POLI□A□S251201
Layer□2 HDI Global Specialty SE □10M p/o □25M□POLI□ JEM-25-CI-1051
Layer□3 Lexington Insurance Company □5M p/o □25M□POLI□ 017196031-02
Layer□4 Axis Surplus Insurance Company □5M p/o □25M□POLI□ P-001-001530155-01
Layer□5 Special Risk Insurance Underwriters □Lloyd's of London□□10M p/o □29,250,532□POLI□ASRU001379-02
Layer□6 Gotham Insurance Company □5M p/o □29,250,532□POLI□ PR202500006754
Layer □7 Underwriters at Lloyd's of London □5M p/o □29,250,532□POLI□ UB251256A0227
Layer□8 □insale Insurance Company □10M p/o □29,250,532□POLI□ 0100367718-0

Deductibles□
□10,000 All Other Perils
Time Element 72 hours
□2,712,527 Named Storm per Occurence
□100,000 All Other Wind/Hail per Occurence
Excluding Equipment Breakdown
Total Units□217
30 days notice of cancellation is provided.

SELECTIVE
BE UNIQUELY INSURED®

VALENT GROUP LLC
3500 BLUE LAKE DRIVE SUITE 120
BIRMINGHAM, AL 35243

Agency Phone: (205) 262-2700

NFIP Policy Number: 0001728093
Company Policy Number: FLD1728093
Agent: VALENT GROUP LLC

Payor: INSURED
Policy Term: 10/07/2025 12:01 AM - 10/07/2026 12:01 AM
Policy Form: RCBAP

To report a claim visit or call us at:	https://customer.myselectiveflood.com (877) 348-0552

RENEWAL FLOOD INSURANCE POLICY DECLARATIONS
NATIONAL FLOOD INSURANCE PROGRAM

DELIVERY ADDRESS

PHOENIX VI ASSOCIATION, INC.
P.O. BOX 1339
GULF SHORES, AL 36547-1339

INSURED NAME(S) AND MAILING ADDRESS
PHOENIX VI ASSOCIATION, INC.
P.O. BOX 1339
GULF SHORES, AL 36547-1339

COMPANY MAILING ADDRESS
Selective Ins Co of the Southeast
PO BOX 782747
PHILADELPHIA, PA 19178-2747

INSURED PROPERTY LOCATION
26800 PERDIDO BEACH BLVD
ORANGE BEACH, AL 36561-6137

0916 2GXXA3S56R10 B:0 000259 000815 002/003 1629-1632

BUILDING DESCRIPTION: ENTIRE RESIDENTIAL CONDOMINIUM BUILDING
BUILDING DESCRIPTION DETAIL: N/A

RATING INFORMATION
BUILDING OCCUPANCY: RESIDENTIAL CONDOMINIUM BUILDING
NUMBER OF UNITS: 217 UNITS
PRIMARY RESIDENCE: NO
PROPERTY DESCRIPTION: SLAB ON GRADE (NON-ELEVATED), 15 FLOOR(S)
PRIOR NFIP CLAIMS: 0 CLAIM(S)

REPLACEMENT COST VALUE: $57,257,480.00
DATE OF CONSTRUCTION: 01/01/1999
CURRENT FLOOD ZONE: AE
FIRST FLOOR HEIGHT (FFH): 1.0 FEET
MOST FAVORABLE FFH METHOD: FEMA DETERMINED

MORTGAGEE / ADDITIONAL INTEREST INFORMATION
FIRST MORTGAGEE: — **LOAN NO:** N/A
SECOND MORTGAGEE: — **LOAN NO:** N/A
ADDITIONAL INTEREST: — **LOAN NO:** N/A
DISASTER AGENCY: — **CASE NO:** N/A
DISASTER AGENCY: N/A

RATE CATEGORY — RATING ENGINE

	COVERAGE	DEDUCTIBLE
BUILDING:	$54,250,000	$1,250
CONTENTS:	N/A	N/A

SEE POLICY FORM FOR INFORMATION ON COVERAGE LIMITATIONS AND COINSURANCE PENALTIES.
PLEASE REVIEW THIS DECLARATION PAGE. INACCURATE INFORMATION MAY LEAD TO CLAIM PROCESSING DELAYS.
QUESTIONS OR CHANGES NEEDED, PLEASE CONTACT YOUR AGENCY.

COMPONENTS OF TOTAL AMOUNT DUE

BUILDING PREMIUM:	$80,297.00
CONTENTS PREMIUM:	$0.00
INCREASED COST OF COMPLIANCE (ICC) PREMIUM:	$75.00
MITIGATION DISCOUNT:	($0.00)
COMMUNITY RATING SYSTEM REDUCTION:	($16,036.00)
FULL RISK PREMIUM:	$64,336.00
ANNUAL INCREASE CAP DISCOUNT:	($0.00)
STATUTORY DISCOUNTS:	($0.00)
DISCOUNTED PREMIUM:	$64,336.00
RESERVE FUND ASSESSMENT:	$11,580.00
HFIAA SURCHARGE:	$250.00
FEDERAL POLICY FEE:	$2,174.00
PROBATION SURCHARGE:	$0.00
TOTAL ANNUAL PREMIUM:	$78,340.00

IN WITNESS WHEREOF, I have signed this policy below and enter in to this Insurance Agreement

Michael H. Lanza / Secretary

John Marchioni / Chairman, President & CEO

This declarations page along with the Standard Flood Insurance Policy Form constitutes your flood insurance policy.

Zero Balance Due - This Is Not A Bill

Policy issued by: Selective Ins Co of the Southeast

Insurer NAIC Number: 39926

PHOENIX VI ASSOCIATION

RULES AND REGULATIONS

I. Parking

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