

1562144



**AMENDMENT OF DECLARATION OF RESTRICTIONS, CONDITIONS,
EASEMENTS, COVENANTS, AGREEMENTS, LIENS AND CHARGES
LAKE FOREST, UNIT 29**

This Amendment made this 26 day of February, 2016, by FRIDAY CONSTRUCTION, L.L.C., a Florida limited liability company, hereinafter called "Declarant", joined together with LAKE FOREST PROPERTY OWNERS ASSOCIATION, INC., hereinafter called "LFPOA," assignee of certain property from Lake Forest, Inc.

WITNESSETH

WHEREAS, on October 9, 1973, Lake Forest, Inc., the predecessor in interest of the Declarant executed Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges, Lake Forest, Inc. recorded in Book 24, at Page 453 et. seq., in the Office of the Judge of Probate for Baldwin County, Alabama, (hereinafter "Declarations") as may have been amended from time to time by Declarant; and

WHEREAS, said Declarations, as amended, recite that the plat of Lake Forest, Unit 29, of Lake Forest, Inc. is recorded in Map Book 8 at Page 117 in the in the Office of the Judge of Probate of Baldwin County, Alabama; and

WHEREAS, it is the intention of the Declarant to amend the Declarations as to Lake Forest, Unit 29, as set out herein; and

WHEREAS, it is the intention of the Declarant to extend the term of the Declarations as to those lots and to provide a practical means for future amendments, should the need arise; and

WHEREAS, Friday Construction, L.L.C. is the owner of record of eight-five percent (85%) of the property (computed by acreage, encompassed within the Lake Forest development);

NOW THEREFORE, pursuant to the provisions of Article XIX of said Declarations, Friday Construction, L.L.C., owner of record of eight-five percent (85%) of the property (computed by acreage, encompassed within the Lake Forest development of Baldwin County, Alabama), hereby amends Articles I and XIX of said Declarations according to the map or plat thereof recorded in the records of the Office of the Judge of Probate of Baldwin County, Alabama, and does hereby amend the Declaration of Lake Forest, Inc. of Lake Forest, Unit 29, in the following respects, and in the following respects only:

1. Article I is deleted and the following inserted in its place:

I.
TERM

All of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges set forth herein shall affect each and all of the above-described lots and shall run with the land and shall exist and be binding upon all parties and all persons claiming under them in perpetuity, unless sooner annulled, amended or modified pursuant to the provisions of Article XIX hereof.

2. Article XIX is deleted and the following inserted in its place:

XIX
AMENDMENTS

Any or all of the provisions of these restrictions, conditions, easements, covenants, liens and charges may be annulled, amended or modified at any time by the consent of the owner or owners of record of sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the Lake Forest Property Owners Association, Inc. members, encompassed within the Lake Forest Development, present in person or by ballot at a meeting of the members of the Lake Forest Property Owners Association, Inc. duly called for such purpose at which a quorum is present. The property encompassed within the Lake Forest Development is defined, for the purpose of this paragraph only, as the lots described in the plats of the Lake Forest units, which are subject to Lake Forest covenants at the time of the meeting called for such purpose.

3. Except as hereby amended in paragraphs 1 and 2, above, all the terms, covenants and conditions of the Declaration, and any existing amendments thereto, are ratified and confirmed and approved in all respects.

IN WITNESS WHEREOF, the Declarant has caused this amendment to be executed the day and year first above written.

FRIDAY CONSTRUCTION, L.L.C.

By: _____

JERRY M. SILVERSTEIN

As Its: Manager

STATE OF ALABAMA)
)
COUNTY OF MOBILE)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **JERRY M. SILVERSTEIN**, whose name as Manager of **FRIDAY CONSTRUCTION, L.L.C.**, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he, as such Secretary and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this 26 day of February, 2016.



NOTARY PUBLIC My Commission Expires 6-17-2018
My commission expires: _____

[SEAL]

LAKE FOREST PROPERTY OWNERS
ASSOCIATION, INC.

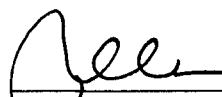
By: 

STEVE SASSER
As Its: President

STATE OF ALABAMA)
)
COUNTY OF BALDWIN)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **STEVE SASSER**, whose name as President of **LAKE FOREST PROPERTY OWNERS ASSOCIATION, INC.**, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he, as such Secretary and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this 26th day of February, 2016.



NOTARY PUBLIC
My commission expires: 12/3/2018

[SEAL]

1984273

AMENDMENT TO
DECLARATION OF CONDOMINIUM
OF BAY FOREST PHASE II



WHEREAS, Section II of the original Declaration of Condominium of Bay Forest Phase II states:

The name by which this condominium is to be known is BAY FOREST PHASE II,

WHEREAS, the Members, at a Meeting of the Members held on February 21, 2022 properly approved an amendment to said Declaration of Condominium regarding the complex name,

NOW THEREFORE, this is to certify that Section II of said Declaration of Condominium is changed to say:

The name by which this condominium is to be known is BAY FOREST EAST

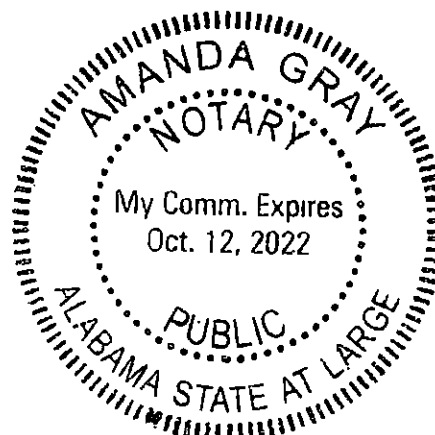
Signature Felicia Coker
Print name Felicia Coker
Date 03/11/2022

STATE OF ALABAMA
COUNTY OF BALDWIN

THE FOREGOING INSTRUMENT was acknowledged before me this 11 day of March, 2022 by Felicia Coker who presently serves as and is known by me to be a board member of BAY FOREST PHASE II CONDO OWENRS ASSOCIATION, INC. and has produced identification. She acknowledges executing this document in my presence freely and voluntarily under duly vested authority by said corporation.

WITNESS my hand in the County and State last aforesaid on the 11 day of March 2022.

Amanda Gray
March 11, 2022



THIS INSTRUMENT
PREPARED BY
Bay Forest Phase II Condo
owners Association, Inc
Felicia Coker
512 Lake Forest Blvd
Daphne, AL 36526

MINERAL DEED

1246

KNOW ALL MEN BY THESE PRESENTS, that Lake Forest, Inc., a corporation, hereinafter referred to as the "Grantor", for and in consideration of TEN AND NO/100THS DOLLARS (\$10.00) and other good and valuable consideration hereby acknowledged to have been paid to the grantor by Diamondhead Corporation, a Delaware corporation, hereinafter referred to as the "Grantee", does, upon and subject to any and all conditions, covenants, easements, exceptions, limitations, reservations and restrictions hereinafter contained or mentioned, hereby GRANT, BARGAIN, SELL and CONVEY unto the Grantee all of the oil, gas and other minerals, and all interests therein, of every kind and character in, on or under that certain real property located in Baldwin County, Alabama, more particularly described on the attached Exhibit I, together with all rights of ingress and egress for the full enjoyment of same;

PROVIDED, HOWEVER, Grantor reserves, for a period of ten (10) years, the right to restrict or limit the use and enjoyment of the interest hereby conveyed by entering into agreements with Grantor's assigns, including individual lot purchasers in the development known as Lake Forest, which agreements forbid the use of the surface of a particular lot or parcel of the property described in the attached Exhibit I in connection with the exploration for or extraction of such oil, gas and other minerals. Any such agreement shall be binding upon the Grantee, its successors and assigns, whether executed prior to the date of this instrument or at any time within the ten (10) year period beginning with the date of this instrument; and any such agreement executed prior to the expiration of said ten (10) year period shall be binding upon Grantee, its successors and assigns, for the term of said agreement whether or not such term extends beyond the end of said ten (10) year period.

FROM 421 703

TOGETHER with all and singular the rights, privileges, members and appurtenances thereunto belonging or in anywise appertaining;

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

It is the intention of the Grantor herein to convey all of the oil, gas and other minerals, and all interests therein, of every kind and character, which it now owns located in Baldwin County, Alabama; and it hereby does grant, bargain, sell and convey such oil, gas and other minerals, and all interests therein, of any kind and character, in, on or under the property described on the attached Exhibit I, and those in, on or under any other property which it owns in Baldwin County, Alabama.

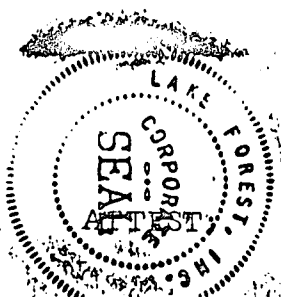
Subject to the aforesaid conditions, covenants, easements, exceptions, limitations, reservations and restrictions, Grantor does covenant with the said Grantee, its successors and assigns: (1) that it is lawfully seized in fee simple of said premises; (2) that the premises are free and clear from all encumbrances; (3) that it has a good right to sell and convey the same as aforesaid; and (4) that it will and its successors and assigns shall warrant and defend the same to the said Grantee, its successors and assigns forever against the lawful claims of all persons.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed by its duly authorized officers on this the 20th day of January, 1972.

LAKE FOREST, INC.

By

As Its Vice President



As Its Secretary

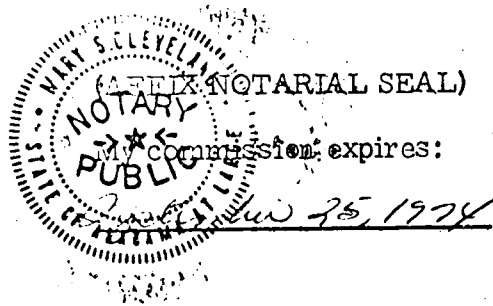
BOOK 421 PAGE 704

STATE OF Alabama
COUNTY OF Mobile

I, the undersigned Notary Public in and for said County in said State, hereby certify that Wm. H. Gumbrecht and Marshall J. DeMouy, whose names as Vice President and Secretary, respectively, of Lake Forest, Inc., a corporation, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and Notarial Seal this the 20th day of January, 1972.

Mary B. Cleveland
Notary Public, State of Alabama at Large



ECM 421 24 705

EXHIBIT I

Parcel 1

Lots 3, 9, 10, 12, 35, 42, 44 and 47 in Unit 2 of Lake Forest, a Subdivision recorded in Map Book 5, page 55 of the records in the office of the Judge of Probate Baldwin County, Alabama.

Parcel 2

Lots 11, 12, 13, 14, 31, 32, 33 and 34, in Unit Number 3 of Lake Forest, a subdivision, as per plat of said Subdivision recorded in Map Book 5, Page 83 of the records in the office of the Judge of the Probate Court of Baldwin County, Alabama.

Parcel 3

Lots 1, 2, 6, 7, 9, 10, 13, 14, 15, 16, 20, 24, 25, 26, 35, 36, 37, 38, 42, 43, 44, 45, 46, 47, 48 and 49 Lake Forest, Unit Four, according to the map thereof recorded in Map Book 5, Page 121, of the records in the office of the Judge of Probate Court of Baldwin County, Alabama.

BOOK 421 PAGE 706

Parcel 4

Lots 11, 13, 22, 23, 25, 28 and 30, Lake Forest, Unit Number 5, according to the map thereof recorded in Map Book 6, Page 9, of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 5

Lots 1 through 13, inclusive and Lots 15 through 20 inclusive and Lots 23 through 31 inclusive Lake Forest, Unit Number 6, according to plat thereof recorded in Map Book 7 page 15 in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 6

Lots 1, 2, 33, 47, 48, 49, 50, 51 and 52, Lake Forest, Windsor Square Subdivision, according to plat thereof recorded in Map Book 5, page 132 of the records in the office of the Judge of the Probate Court of Baldwin County, Alabama.

Parcel 7

Lots 1 through 21 inclusive; Lots 23 through 32 inclusive; Lots 34 through 40 inclusive; Lots 42 and 43; Lots 45 to 67 inclusive; Lots 70 through 78 inclusive; Lots 80 through 85 inclusive; Lots 87 through 89 inclusive; Lots 92 through 101 and Lot 103 through 126 inclusive of Lake Forest, Unit No. 7, according to a plat thereof recorded in Map Book 7 Page 94 of the records in the office of the Judge of Probate Baldwin County, Alabama.

Parcel 8

Lots 1 to 5 inclusive; Lots 7 to 15 inclusive; Lots 17 to 48; Lot 50; Lots 52 to 59 inclusive; Lots 61 to 135 inclusive of Lake Forest, Unit No. 8, according to a plat thereof recorded in Map Book 7, Page 95 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 9

Lots 1 to 53 inclusive; Lots 55 to 63 inclusive; lots 66 to 150 inclusive of Lake Forest, Unit No. 9, according to plat thereof recorded in Map Book 7, Page 96 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 10

Lots 1 to 42 inclusive; Lots 44 through 116 inclusive; Lots 118 through 137 inclusive and Lots 139 to 160 inclusive of Lake Forest, Unit No. 10, according to a map thereof recorded in Map Book 7 Page 105 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 11

Lots 1-113, inclusive of Lake Forest, Phase One, Unit 11, according to a map thereof recorded in Map Book 7, Page 113 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 12

Lots 1 through 139, inclusive of Lake Forest, Unit 12, as shown on the recorded plat of said subdivision recorded in Map Book 7 page 118 of the records in the Office of the Judge of Probate, Baldwin County, Alabama.

Parcel 13

Lots 1 to 77 inclusive; Lots 79 and 80; Lots 82 through 116 inclusive; Lots 119 through 128 inclusive; Lot 130 inclusive of Lake Forest, Unit No. 14, according to a map thereof recorded in Map Book 7 page 104 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 14

Lots 1-218, inclusive of Lake Forest, Unit 15, according to a plat thereof recorded in Map Book 7, page 114 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 15

Lots 1 through 132 inclusive, Lake Forest, Unit 16, as shown on the recorded plat of said subdivision recorded in Map Book 7 page 119 of the records in the office of the Judge of Probate, Baldwin County, Alabama.

BOOK 421 PAGE 708

Parcel 16

All of that certain tract or body of land known as Valentine Island which is located in Governmental Section 31, and the Louis D'Olive Grant, Section 37, all in Township 4 South, Range 2 East, said Valentine Island being bounded by D'Olive Creek or Bayou (the North fork of D'Olive Creek being sometimes referred to as D'Olive Bayou) and D'Olive Bay.

All of the remaining portion of Governmental Subdivision B of Fractional Section 31, Township 4 South, Range 2 East which lies South or which lies West of D'Olive Creek and which is not included in Valentine Island.

Commencing at the one-half section corner on the North line of Fractional Section 31, Township 4 South, Range 2 East, run thence South 00 degrees 11 minutes East 1,594 feet to an iron pin, which point is the point and place of beginning; thence continue South 00 degrees, 11 minutes East 1,028.7 feet to a point in the North line of the Louis D'Olive Grant Section 37, Township 4 South, Range 2 East; run thence South 88 degrees 59 minutes West along the North line of said Grant Section 690.2 feet, more or less, to a point on the East Bank of D'Olive Creek, run thence in a Northerly direction along the East Bank of D'Olive Creek and D'Olive Bayou (the North fork of D'Olive Creek being sometimes referred to as D'Olive Bayou) to a point which is the Southwest corner of a tract of land conveyed by Cyrus Sibley to Sabrina Callaway by Warranty Deed dated March 16, 1950, and recorded in the office of the Judge of Probate of Baldwin County, Alabama, in Deed Book F, at page 186 and which point is located North 89 degrees 57 minutes West 795.6 feet from the point and place of beginning; run thence South 89 degrees 57 minutes East 795.5 feet to the point and place of beginning.

All of that portion of the Southeast Quarter of the Northeast Quarter of Section 31, Township 4 South, Range 2 East which lies South of the South right-of-way line of U. S. Highway Number 90 as the same is presently located and North of the North line of Louis D'Olive Grant Section 37, Township 4 South, Range 2 East.

All of Louis D'Olive Grant Section 37, Township 4 South, Range 2 East, except the following described parcel of land: Beginning at the Southwest corner of Lot 24 in Block 107 in Park City according to the plat thereof recorded in the Office of the Judge of Probate of Baldwin County, Alabama, in Miscellaneous Book 1, Page 230, and which point is located in the East right-of-way line of Old Alabama Highway One Hundred Four (104); run thence East along the South line of Lots 24, 21, 20 and 19 in said Block 107, to the West right-of-way line of U. S. Highway Ninety-eight (98); run thence South 7 degrees 45 minutes East along the West right-of-way line of said U.S. Highway Ninety-eight (98), 260 feet, more or less, to a point therein where the North line of Block 93 in Park City, aforesaid, intersects said West right-of-way line; run thence West along the North line of said Block 93, 260 feet, more or less, to the Northwest corner of said Block, which corner is located in the East right-of-way line of Old Alabama Highway One Hundred Four (104); run thence North along the East right-of-way line of Old Alabama Highway Number One Hundred Four (104); 240 feet; more or less, to the point and place of beginning. Meaning and intending to describe and except Lots 1, 2, 3, 4, 5, 6 and a fractional part of Lot 7 in said Block 107 and the area North of said Lots which formerly comprised the 15 foot alley located in said Block 107 between Old Alabama Highway Number One Hundred Four (104) (3rd Street) and U. S. Highway Number Ninety-eight (98) and the area South of said Lots which formerly comprised that portion of Cleveland Street located between Old Alabama Highway Number One Hundred Four (104) (3rd Street) and U. S. Highway Number Ninety-eight (98).

(The North boundary line of said Grant Section 37 is described as beginning at the Northwest corner of said Grant Section 37, and run thence North 88 degrees 59 minutes East to the Northeast corner of said Grant Section 37).

All of the Louis D'Olive Grant Section 6, Township 5 South, Range 2 East except that portion thereof which lies South of the North boundary of Grant Street in Park City according to the plat thereof recorded in the Office of the Judge of Probate of Baldwin County, Alabama, in Miscellaneous Book 1, at pages 230-31, and West of the East Boundary of 6th Street in Park City, aforesaid; and except further the following described parcel:

Commencing at a point 700 feet due East of the intersection of the center of Van Buren Street and the West side of Sixth Street in Park City, according to the plat thereof on file in the Office of the Judge of Probate of Baldwin County, Alabama, in Miscellaneous Book 1, page 230, thence running South 260 feet to a point; thence due East 700 feet to a point; run thence North 260 feet to a point; thence due West 700 feet to the point and place of beginning.

Governmental Lots 9, 10 and 11 in Fractional Section 5,
Township 5 South, Range 2 East.

Parcel 17

Beginning at the intersection of the North line of Lot 2, Louis D'Olive Estates Division, Township 5 South, Range 2 East, Baldwin County, Alabama, with the West right-of-way line of U. S. Highway 98; thence run South 89 degrees 49 minutes 50 seconds West along said North line of Lot 2 and along the North line of a right-of-way to Beach Park, as shown on a plat of subdivision of lands of Marie Alphonse, as recorded in Map Book 4, page 209, of the records in the office of the Judge of Probate, Baldwin County, Alabama, a distance of 2,369.23 feet, more or less, to a point on the East margin of D'Olive Bay; thence run Northwardly along the meanderings of said D'Olive Bay to a point on the Westward extension of the North right-of-way line of Grant Street (if the same were extended Westward to D'Olive Bay), as shown on the plat of Park City, as recorded in Miscellaneous Book 1, Page 230 et seq., of said Probate records; thence run Eastward along said Westward Extension of Grant Street and along the South line of the real property heretofore conveyed by The First National Bank of Mobile, as trustee under agreement with Dorothy Wefel Matthews, dated January 6, 1955, et al., to Lake Forest, Inc., by the conveyance dated May 2, 1958, and recorded in Deed Book 273 page 143, et seq., of said Probate records, and along said North right-of-way line of Grant Street, a distance of 2,784.59 feet to a concrete monument on the East line of Park City said East line also being the East right-of-way line of 6th Street in Park City; thence run South 00 degrees 19 minutes 53 seconds West along said East right-of-way line of 6th Street and along the West line of said real property conveyed by the aforementioned conveyance dated May 2, 1958 a distance of 1,777.68 feet to the Northeast corner of the real property conveyed by Barnes Flournoy Lovelace, et al., to Lake Forest, Inc. by the conveyance dated November 15, 1960 and recorded in Deed Book 300 page 460, et seq., of said Probate records; thence run South 89 degrees 46 minutes West along the North line of said real property heretofore conveyed to Lake Forest, Inc. by said conveyance dated November 15, 1960, a distance of 1,406.24 feet to a point on said West right-of-way line of U. S. Highway 98; thence run South 00 degrees 01 minutes West along said West right-of-way line a distance of 631.00 feet to a point on the South right-of-way line of Madison Street in Park City; thence run South 89 degrees 20 minutes 57 seconds East along said South right-of-way line of Madison Street, a distance of 20.00 feet to a point; thence continuing along said West right-of-way line of U.S. Highway 98, run South 00 degrees 01 minutes West a distance of 1,720.37 feet to the point of beginning, less and except therefrom Lots 5-11, both inclusive of Block 19; Lot 1 of Block 20; the South 90 feet of Block C; all of Block 36; Lots 1, 5, 6 & 15 of Block 35; Lots 1, 2, 19 & 20 of Block 50; Lots 1, 2, 10, 19 & 20 of

BOOK 421 PAGE 711

Block 51; Lots 1, 21, 22, 23 & 24 of Block 53; all of Block 55; Lots 5-11, both inclusive, and Lots 14, 15 & 20 of Block 56; Lots 5, 6, 22, 23 & 24 of Block 57; Lots 9, 10, 17, 18, 19 & 20 of Block 58; Lots 11, 12, 13 & 14 of Block 69; Lot 9 of Block 73; Lots 8, 9 & 10 of Block 77; Lots 1, 10, 11, 12, 13, 14, 19 & 20 of Block 76; and Lots 1-6, both inclusive, and Lots 9-14, both inclusive, of Block 72, all according to and as shown by the plat of Park City, as recorded in Miscellaneous Book 1, Pages 230-231, of said Probate records, and also less and except therefrom Lots 1, 2, 3, 4, 5, 7, 8, 9, 22, 23 & 24 of Block 71; Lot 1 of Block 75; and Lots 15, 16, 21 & 22 of Block 72; and Lots 8-13 both inclusive, of Block 90, all according to plat recorded in Miscellaneous Book 1, Page 287, of said Probate records; being a resurvey of Blocks 70, 71, 72, 73, 74, 75 & 90 of Park City, according to plat recorded in Miscellaneous Book 1, Pages 230-231 of said Probate records.

Parcel 18

PARCEL "A":

Beginning at the Southeast corner of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama, run thence North 89 degrees, 43 minutes 37 seconds West a distance of 2637.66 feet to the one half mile corner on the South line of Section 4; thence continuing along the South line of Section 4, run South 89 degrees 30 minutes 33 seconds West a distance of 2664.10 feet to a concrete monument at the Southwest corner of Section 4; thence along the West line of Section 4, run North 00 degrees 22 minutes 17 seconds East a distance of 1332.46 feet to a point; thence run North 89 degrees 49 minutes 59 seconds East, a distance of 1329.16 feet to a point; thence run North 00 degrees 16 minutes 53 seconds East, a distance of 1324.92 feet to a point; Thence run South 89 degrees 58 minutes 45 seconds East a distance of 1325.84 feet to a point; thence run South 00 degrees 10 minutes 45 seconds West, a distance of 1319.78 feet to a point; thence run North 89 degrees 45 minutes 02 seconds East a distance of 1322.27 feet to a point; thence run North 00 degrees 09 minutes 27 seconds East, a distance of 3968.79 feet to a point; thence run South 89 degrees 47 minutes 40 seconds East a distance of 1327.79 feet to the Northeast corner of Section 4, Township 5 South, Range 2 East; thence along the East line of Section 4, run South 00 degrees 16 minutes 26 seconds West a distance of 5300.53 feet to the point of beginning (being the South 1/2 of the Southwest 1/4, the Northeast 1/4 of Southwest 1/4 the South 1/2 of the Southeast 1/4, the Northeast 1/4 of Southeast 1/4, and the East 1/2 of the Northeast 1/4 of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama), LESS AND EXCEPT from the above described property that certain strip of land bounded by a line described as follows: Commence at the Northeast corner of the Southwest Quarter of the Southeast quarter of Section 4, Township 5 South, Range 2 East, run thence South 89 degrees 45 minutes 02 seconds West a distance of 13.5 feet to the point of beginning; thence run South a distance

EXH 421 PAGE 712

of 44 feet, more or less, to an old fence line; thence run westerly and along said old fence line a distance of 760 feet, more or less, to the intersection of an old fence line that runs North and South; thence run North a distance of 53 feet, more or less, along said old fence line to a point of the North line of the Southwest Quarter of the Southeast Quarter of Section 4, Township 5 South, Range 2 East; thence run North 89 degrees 45 minutes and 02 seconds East and along the North line of the Southwest Quarter of the Southeast Quarter to the point of beginning.

ALSO PARCEL B

Beginning at the Northwest corner of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama, run thence South 00 degrees 22 minutes 17 seconds West along the West line of Section 4, a distance of 2664.91 feet to a point; thence run South 89 degrees 50 minutes 33 seconds East, a distance of 1327.03 feet to a point; thence run North 00 degrees 13 minutes 18 seconds East, a distance of 1331.45 feet to a point; thence run South 89 degrees 55 minutes 05 seconds East, a distance of 1323.65 feet to a point; thence run North 00 degrees 08 minutes 14 seconds East, a distance of 1329.48 feet to a point on the North line of said Section 4, Township 5 South, Range 2 East; thence along the North line of Section 4, run North 89 degrees 47 minutes 40 seconds West, a distance of 2641.75 feet to the point of beginning. Being the West 1/2 of the Northwest 1/4, and the Northeast 1/4 of the Northwest 1/4 of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama.)

ALSO PARCEL C

Beginning at the Southwest corner of Section 33, Township 4 South, Range 2 East, Baldwin County, Alabama, run thence North 00 degrees 42 minutes 51 seconds East, along the West line of Section 33, a distance of 1974.00 feet to a point in the centerline of the East prong of D'Olive Creek; thence along the meanderings of the centerline of said creek run thence South 82 degrees 32 minutes 54 seconds East, 169.32 feet; thence South 65 degrees 56 minutes 58 seconds East, 126.41 feet; thence South 80 degrees 59 minutes 32 seconds East, 167.19 feet; thence South 60 degrees 56 minutes 05 seconds East, 49.40 feet; thence North 81 degrees 13 minutes 32 seconds East, 93.57 feet; thence North 54 degrees 45 minutes 11 seconds East, 89.36 feet; thence South 71 degrees 22 minutes 39 seconds East, 94.48 feet; thence North 89 degrees 45 minutes 20 seconds East, 72.67 feet; thence South 80 degrees 20 minutes 34 seconds East, 268.71 feet; thence North 80 degrees 06 minutes 45 seconds East, 194.94 feet; thence North 77 degrees 17 minutes 44 seconds East, 119.78 feet; thence South 64 degrees 58 minutes 52 seconds East, 164.13 feet; thence North 63 degrees 11 minutes 58 seconds East, 71.38 feet; thence South 33 degrees 15 minutes 30 seconds East, 136.20 feet; thence North 75 degrees 42 minutes 24 seconds East, 80.09 feet; thence South 64 degrees 15 minutes 36 seconds East, 49.93 feet; thence South 87 degrees 25 minutes

12 seconds East, 145.04 feet; thence North 75 degrees 52 minutes 16
 seconds East, 93.64 feet; thence South 40 degrees 57 minutes
 53 seconds East, 66.73 feet; thence South 85 degrees 59 minutes
 51 seconds East, 174.12 feet; thence South 78 degrees 43 minutes
 59 seconds East, 236.10 feet; thence North 80 degrees 07 minutes
 34 seconds East, 98.14 feet; thence South 82 degrees 25 minutes
 59 seconds East, 130.52 feet; thence North 82 degrees 45 minutes
 58 seconds East, 136.53 feet; thence South 50 degrees 11 minutes
 01 seconds East, 229.52 feet; thence South 26 degrees 46 minutes
 55 seconds East, 355.57 feet; thence South 43 degrees 05 minutes
 42 seconds East, 245.80 feet; thence South 52 degrees 47 minutes
 16 seconds East, 230.27 feet; thence South 39 degrees 38 minutes
 38 seconds East, 110.37 feet; thence South 76 degrees 39 minutes
 49 seconds East, 92.78 feet; thence South 35 degrees 09 minutes
 29 seconds East, 101.83 feet; thence South 66 degrees 08 minutes
 33 seconds East, 120.14 feet; thence South 32 degrees 21 minutes
 03 seconds East, 110.44 feet; thence South 51 degrees 18 minutes
 46 seconds East, 79.41 feet; thence South 39 degrees 43 minutes
 28 seconds East, 202.36 feet; thence South 61 degrees 32 minutes
 59 seconds East, 69.50 feet; thence South 41 degrees 16 minutes
 26 seconds East, 149.85 feet; thence North 74 degrees 18 minutes
 49 seconds East, 205.97 feet; thence North 89 degrees 18 minutes
 36 seconds East, 95.79 feet; thence South 80 degrees 13 minutes
 19 seconds East, 67.48 feet; thence North 59 degrees 36 minutes
 04 seconds East, 214.24 feet; thence North 77 degrees 28 minutes
 46 seconds East, 85.85 feet; thence North 50 degrees 55 minutes
 45 seconds East, 62.95 feet; thence North 85 degrees 47 minutes
 33 seconds East, 201.13 feet; thence North 79 degrees 24 minutes
 58 seconds East, 96.69 feet to a point on the East line of said
 Section 33, Township 4 South, Range 2 East, thence run South 00
 degrees 16 minutes 26 seconds West 468.87 feet to the Southeast
 corner of Section 33; thence run North 89 degrees 47 minutes 40
 seconds West along the South line of Section 33, a distance of
 2650.71 feet to a point; thence run North 00 degrees 42 minutes
 51 seconds East, a distance of 1321.28 feet to a point; thence
 run North 89 degrees 47 minutes 40 seconds West, 1320.87 feet
 to a point; thence run South 00 degrees 42 minutes 51 seconds
 West, 1321.28 feet to a point; thence along the South line of
 Section 33, run North 89 degrees 47 minutes 40 seconds West, a
 distance of 1320.88 feet to the point of beginning. (Being a
 portion of the South 1/2 of Section 33, Township 4 South, Range
 2 East, Baldwin County, Alabama).

ALSO PARCEL D

Beginning at the Southeast corner of Section 32, Township 4 South,
 Range 2 East, Baldwin County, Alabama, run thence North 00 degrees
 42 minutes 51 seconds East, a distance of 2642.56 feet to a
 concrete monument at the one half mile corner on the East line of
 Section 32; thence along the boundary of property now or formerly
 of Tampary run South 89 Degrees 51 minutes 16 seconds West, a
 distance of 1317.30 feet to an iron at the Southwest corner of said
 Tampary property; thence run North 00 degrees 42 minutes 51 seconds

East, 84.72 feet to a point on the South right of way line of U. S. Highway 90; thence along the South right of way line of U. S. Highway 90 run South 88 degrees 56 minutes 21 seconds West, a distance of 1364.17 feet to a concrete monument at the Northeast corner of the property now or formerly of Lake Forest, Inc., thence along the Easterly boundary of said Lake Forest, Inc. property run South 00 degrees 38 minutes 02 seconds West 62.92 feet to a point on the North line of property now or formerly of Tampary; thence along the Northerly boundary of said Tampary property run North 89 degrees 51 minutes 16 seconds East, a distance of 436.93 feet to the Northeast corner of said Tampary property; thence along the East boundary of said Tampary property run South 00 degrees 38 minutes 02 seconds West, a distance of 2640.76 feet to a point on the South line of Section 32, Township 4 South, Range 2 East; thence along the South line of Section 32, run North 89 degrees 53 minutes 56 seconds East, a distance of 2240.22 feet to the point of beginning. (Being a portion of Section 32, Township 4 South, Range 2 East, Baldwin County, Alabama.)

ALSO PARCEL E

Commencing at the Southwest corner of the Northwest Quarter of Section 32, Township 4 South, Range 2 East, Baldwin County, Alabama, run North 01 degree 19 minutes 39 seconds East, a distance of 70.00 feet to a point where it is intersected by the North boundary line of D'Olive Grant Section 37 for the point of beginning of the property herein described; thence along the North line of Grant Section 37, run North 88 degrees 29 minutes 35 seconds East, a distance of 476.99 feet to a point on the South right of way line of U. S. Highway 90; thence along said right of way line run North 89 degrees 49 minutes 31 seconds West, a distance of 476.50 feet to a point on the West line of Section 32, Township 4 South, Range 2 East; thence run South 01 degrees 19 minutes 39 seconds West, a distance of 14 feet to the point of beginning. (Being a portion of the Northwest Quarter of Section 32, Township 4 South, Range 2 East, Baldwin County, Alabama.)

ALSO PARCEL F

Commencing at the Southeast corner of Section 5, Township 5 South, Range 2 East, Baldwin County, Alabama, run thence North 00 degrees 22 minutes 17 seconds East along the East line of Section 5, a distance of 1332.46 feet to the point of beginning of the property herein described; thence run South 89 degrees 30 minutes 33 seconds West along the North line of the South 1/2 of the Southeast 1/4 of Section 5, a distance of 2336.48 feet to a point on the East line of property now or formerly of Lake Forest, Inc., thence along said East line run North 05 degrees 56 minutes 24 seconds East, a distance of 696.08 feet to a concrete monument; thence continuing along said Lake Forest, Inc. boundary run North 86 degrees 34 minutes 07 seconds West a distance of 257.78 feet to a concrete monument; thence continuing along said Lake Forest, Inc. boundary run North 00 degrees 32 minutes 19 seconds East, a distance of 3305.23 feet to a point on the North line of Section 5, thence

along the North line of Section 5, run North 89 degrees 53 minutes 56 seconds East, a distance of 2516.52 feet to the Northeast corner of Section 5; thence along the East line of Section 5 run South 00 degrees 22 minutes 17 seconds West, a distance of 3997.36 feet to the point of beginning. (Being a portion of Section 5, Township 5 South, Range 2 East, Baldwin County, Alabama.)

All of the above described parcels A, B, C, D, E and F contain a total of 927.10 acres, more or less, and the above description is in accordance with that certain plat of survey prepared by Rester & Coleman, Engineers, dated October 30, 1970, a copy of which is attached to the deed from Malbis Plantation, Inc., an Alabama corporation, to Lake Forest, Inc., a corporation, dated January 8, 1971 and recorded in Deed Book 409 page 937, of the records in the office of the Judge of Probate, Baldwin County, Alabama.

Parcel 19

Beginning at a point on the East line of U. S. Highway 98 where it is intersected by the South line of the Medrick D'Olive Tract in Section 7, Township 5 South, Range 2 East, Baldwin County, Alabama, running thence northwardly along the East line of said highway a distance of 606.63 feet to a point which would be on the South line of Jefferson Street (now vacated) as shown on plat of Park City, a subdivision recorded in Miscellaneous Book 1, pages 230-31 of the Probate Court Records of Baldwin County, Alabama, thence along the South line of Jefferson Street run eastwardly 1300 feet more or less to a point on the east boundary of said Park City, thence along the East line of Park City being also along the East line of 6th Street in Park City run Southwardly 690 feet more or less to a point on the South boundary of said Medrick D'Olive Tract in Section 7, thence along the South line of said Medrick D'Olive Tract run Westwardly 1300.6 feet more or less to the point of beginning.

Parcel 20

Beginning at a point on the East line of U. S. Highway 98 distant 149 feet Southward from the Southeast intersection of U. S. Highway 98 and Jackson Street in Park City, a subdivision recorded in Miscellaneous Book 1, Page 230-31 of the Probate Court Records of Baldwin County, Alabama, said U. S. Highway 98 being located on the right-of-way of 4th Street with additional right-of-way on either side, thence along the East right-of-way line of U. S. Highway 98 run Southwardly 617.13 feet to an offset in said right-of-way line, thence run Westwardly 20 feet, thence along the East right-of-way line of U. S. Highway 98 run Southwardly 403.87 feet to a point, which point would be the intersection of the South line of Jefferson Street (now vacated) as shown on said plat of Park City with the East line of said highway, thence along South line of Jefferson Street (now vacated)

run Eastwardly 1300 feet more or less to the East boundary of Park City, thence along the East boundary of Park City, being along the East line of 6th Street in Park City, run Northwardly 1021 feet to a point, thence parallel with the South boundary of Jackson Street run Westwardly 1290 feet more or less to the point of beginning, excepting therefrom Lots 19 & 20, Square 22 of Park City as recorded in Miscellaneous Book 1, pages 230-231 of the probate records of Baldwin County, Alabama.

Parcel 21

Fractions "C" and "D" in the Southwest fraction of Section Thirty-two (32) in Township Four (4) South of Range two (2) East of the St. Stephens Meridian, Alabama, according to the Official Plat of the Survey of the said land, returned to the General Land Office by the Surveyor General.

Parcel 22

The North One Half of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter of the Southwest Quarter of Section Thirty-three, Township Four South, Range Two East, less and except that parcel of land conveyed by Ross Washington and Rachel Washington to Edward Longmire and Eva Mae Longmire by deed dated July 22, 1942 and recorded in Deed Book 78 page 191, described as follows: Beginning at a stake in the Northeast corner of the North Half of the Southeast Quarter of the Southwest Quarter of Section Thirty-three, Township Four South, Range Two East, run South three and seven tenths chains for a point of beginning, thence run West three and two tenths chains; thence run South six and three tenths chains, thence run East three and two tenths chains, thence run North six and three tenths chains to the point of beginning.

Parcel 23

Beginning at a stake in the Northeast corner of the North half of the Southeast Quarter of the Southwest Quarter of Section 33, Township 4 South, Range 2 East run South 3 and 7/10 chain for point of beginning; thence run West 3 and 2/10 chain, thence run South 6 and 3/10 chain, thence run East 3 and 2/10 chain; thence run North 6 and 3/10 chain back to a point of beginning.

Parcel 24

Southeast Quarter of the Southeast Quarter of the Southwest Quarter, Section 33, Township 4 South, Range 2 East, less 10 feet off the South side reserved by Frank M. Hill and Ida F. Hill, in deed dated October 17, 1939, and recorded in Deed Book 73, Page 156.

Parcel 25

Commencing at the Northwest corner of Northeast Quarter of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama, thence run South 00 degrees, 11 minutes, 33 seconds West along North-South half section line a distance of 1140 feet, thence run East and parallel with North line of said Section 4, Township 5, South Range 2 East a distance of 1322 feet more or less to a point on East line of West one-half of Northeast Quarter of said Section 4, Township 5 South, Range 2 East, thence run North 00 degrees 12 minutes, 41 seconds East 1140 feet to the Northeast corner of West one-half of Northeast Quarter, thence run North 89 degrees 48 minutes, 15 seconds West and along North line of said West one-half of Northeast Quarter, 1323.12 feet to Northwest corner of Northeast Quarter of said Section 4, Township 5 South, Range 2 East and the place of beginning.

Parcel 26

Beginning at the Southwest corner of the Northwest Quarter of the Southeast Quarter of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama; thence run North 89 degrees 45 minutes 02 seconds East along the South line of said Northwest Quarter of Southeast Quarter, 262.67 feet to a point; thence North 00 degrees 10 minutes 45 seconds East, 1194.0 feet to a point on the South line of a 50 foot roadway; thence South 89 degrees 45 minutes 02 seconds West along the South line of said 50 foot roadway 262.67 feet to the East property line of Malbis Plantation, Inc.; thence South 00 degrees 10 minutes 45 seconds West along said East property line of Malbis Plantation, Inc. and along the North-South one-half Section line 1194.0 feet to the point of beginning.

Parcel 27

Commencing at the Southeast corner of the Northwest Quarter of Southeast Quarter of Section 4, Township 5 South, Range 2 East, Baldwin County, Alabama, thence run North 00 degrees 12 minutes 41 seconds East and along the East line of Northwest Quarter of Southeast Quarter and East line of West half of Northeast Quarter, 1654.13 feet, thence run North 89 degrees 57 minutes 08 seconds West 50 feet to point of beginning, continue North 89 degrees 57 minutes 08 seconds West 400 feet, thence run South and parallel with East line of West half of Northeast Quarter and East line of Northwest Quarter of Southeast Quarter, 410.13 feet to North line of a 50 foot roadway; thence run East along North line of 50 foot roadway 400 feet thence run North along West line of a 50 foot roadway and parallel with said East line of Northwest Quarter of Southeast Quarter and East line of West half of Northeast Quarter 410.13 feet to the point of beginning.

Commencing at the Southeast corner of Northwest Quarter of Southeast Quarter of Section 4, Township 5 South, Range 2 East Baldwin County, Alabama, thence run North 00 degrees 12 minutes 41 seconds East along the East line of said Northwest Quarter of Southeast Quarter, 794 feet, thence run West and parallel with the South line of said Northwest Quarter of Southeast Quarter 50 feet to the place of beginning, continue West 400 feet, thence run North and parallel with the East line of said Northwest Quarter of Southeast Quarter, 400 feet to the South line of a 50 foot roadway, thence run East along South line of 50 foot roadway 400 feet, thence run South along West line of a 50 foot roadway 400 feet to the point of beginning.

Parcel 28

Commencing at the Northeast corner of Lot 10 Lake Forest Unit 3 as recorded in the Office of the Judge of Probate, Baldwin County, Alabama, run thence South 77 degrees 45 minutes East 766.33 feet, thence South 40 degrees 45 minutes East 1356.70 feet, thence South 11 degrees 20 minutes West 50.29 feet to the point of beginning of the property herein described, thence continue South 11 degrees 20 minutes West 400 feet, thence South 78 degrees 40 minutes East 560 feet, thence North 11 degrees 20 minutes East 400 feet, thence North 78 degrees 40 minutes West 560 feet to the point of beginning.

LESS AND EXCEPT from Parcels 16 through 27, the following:

Unit 2 of Lake Forest, a Subdivision according to plat recorded in Map Book 5, Page 55.

Unit Number 3 of Lake Forest, a Subdivision according to a plat recorded in Map Book 5, page 83.

Lake Forest, Unit Four, according to a plat recorded in Map Book 5, page 121.

Lake Forest, Unit Number 5 according to a plat recorded in Map Book 6, page 9.

Lake Forest Unit Number 6, according to a plat recorded in Map Book 7, page 15.

Lake Forest, Windsor Square Subdivision, according to a plat recorded in Map Book 5, page 132.

Lake Forest, Unit Number 7, according to a plat recorded in Map Book 7, page 94.

Lake Forest, Unit Number 8, according to a plat recorded in Map Book 7, page 95.

BOOK 421 PAGE 719

Lake Forest, Unit Number 9, according to a plat
recorded in Map Book 7, page 96.

Lake Forest Unit Number 10, according to a plat
recorded in Map Book 7, page 105.

Lake Forest Phase One, Unit 11, according to a plat
recorded in Map Book 7, page 113.

Lake Forest, Unit Number 12, according to a plat
recorded in Map Book 7, page 118.

Lake Forest, Unit Number 14, according to a plat
recorded in Map Book 7, page 104.

Lake Forest, Unit Number 15, according to a plat
recorded in Map Book 7, page 114.

Lake Forest, Unit Number 16, according to a plat
recorded in Map Book 7, page 119.

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed
and the following tax collected on

FEB 1 1972 1130A

Mineral Tax \$ 225.00

Deed \$ 50.00 Mort. \$ _____ Recorded In Deed

Book 421 Anthony Deline

Page 720 Judge of Probate

By 720 Sh

The above references refer to the records in the office of the
Judge of Probate, Baldwin County, Alabama.

FROM 421 AND 720

*Correction of Restrictions Misc Bk 27
Page 276-82*

DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS,
COVENANTS, AGREEMENTS, LIENS AND CHARGES
LAKE FOREST, INC., UNIT 29

THIS DECLARATION, made this 26TH day of September, 1973,
by Lake Forest, Inc., an Alabama Corporation, hereinafter called
"Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property
located in Baldwin County, Alabama, as set forth on that certain
plat which is recorded in Map Book 8, at Page 117, in the records
of the Office of the Judge of Probate of Baldwin County, Alabama;
and

WHEREAS, it is the desire and intention of Declarant to sell
the above-described real property and to impose upon it mutual,
beneficial restrictions, conditions, easements, covenants, agree-
ments, liens and charges under a general plan or scheme of improve-
ment for the benefit of all the said lands and the future owners of
said lands;

NOW, THEREFORE, Declarant hereby declares that all of the
property described above is held and shall be held, conveyed,
hypothecated or encumbered, leased, rented, used, occupied, and
improved subject to the following provisions, restrictions, condi-
tions, easements, covenants, agreements, liens and charges, all of
which are declared and agreed to be in furtherance of a plan for
the subdivision, improvement and sale of the said real property
and are established and agreed upon for the purpose of enhancing
and protecting the value, desirability and attractiveness of said
real property and every part thereof, and all of which shall run
with the land and shall be binding on all parties having or
acquiring any right, title or interest in the described lands or
any part thereof.

I.

TERM

All of the provisions, restrictions, conditions, easements,
covenants, agreements, liens and charges set forth herein shall
affect each and all of the above-described lots delineated on said
map, shall run with the land and shall exist and be binding upon
all parties and all persons claiming under them for a period of
fifty (50) years from the date of recordation hereof, unless
sooner annulled, amended or modified pursuant to the provisions of
Article XIX hereof.

1.

THIS INSTRUMENT PREPARED
BY: JACK A. FURMAN
VICE PRESIDENT-CHIEF COUNSEL
DIAMONDHEAD CORPORATION
200 SHEFFIELD STREET
MOUNTAIN SIDE, N. J. 07091

BOOK 24 PAGE 453

for amended restrictions see Misc Book 26 Page 1

II.

MUTUALITY OF BENEFIT AND OBLIGATION

All of said restrictions, conditions, easements, covenants, provisions, agreements, liens and charges set forth herein are made for the mutual and reciprocal benefit of each and every lot shown on said map and are intended to create mutual, equitable servitudes upon each of said lots in favor of each and all other lots shown on said map, to create reciprocal rights between the respective owners of all the lots shown on said map, to create a privity of contract and estate between the grantees of said lots, their heirs, successors and assigns; and shall as to the owner of each lot in said subdivision, his heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other lots in said subdivision and their respective owners.

III.

LAND USE

All lots, tracts and parcels of the subdivision shall be used only as herein set forth and zoned, and such designated usage can be changed only by the approval of the Architectural Committee as provided for herein. All lots of the subdivision shall be used only for single-family residence, except those lots whose use is specifically indicated for purposes other than single family as set forth herein, except that nothing contained in this Declaration shall be construed to prevent Declarant or its successors or assigns from erecting and maintaining or authorizing the erection and maintenance of structures and signs for the development and sale of the subdivision while the same or any part thereof is owned by the Declarant, its successors or assigns.

IV.

USE AND IMPROVEMENT

Each and every one of the lots and tracts of the subdivision described above shall be improved, occupied and used for the respective purposes and permitted uses as designated in the following Zoning Classifications:

- A. Zone R-S-2-1600 Residential - Single Family - Two Story - 1600 Square Feet

Zone R-S-2-1600 defined:

1. Improvements on each lot within this zone shall be used exclusively for the purposes of a single family residence.

2.

2. A residence within this zone shall be limited to a maximum of two stories in height wherein a second story shall be defined as any floor level which lies at an elevation of more than five (5) feet but less than twelve (12) feet above any other floor level within the same residence.
3. The Architectural Committee has the authority to set up additional regulations as to the height and size requirements for all buildings and structures within this zone including fences, walls, eaves, trellises, copings and other such surfaces, projections and appendages as will visibly affect the appearance of said buildings and structures.
4. A residence within this zone shall contain not less than one thousand six hundred (1600) square feet of fully enclosed floor area devoted to living purposes. Said floor area shall be exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings and shall be computed from faces of exterior walls. The ground floor of said residence must contain at least one thousand square feet (1000) square feet of fully enclosed floor area devoted to living purposes.
5. Permits and/or approvals for the construction of improvements on properties zoned R-S-2-1600 shall be issued only as a result of a thorough review of a complete and detailed set of construction plans of the proposed building by the Architectural Committee (construction shall thereafter commence only upon receipt of written approval by the Architectural Committee). Plans submitted to the Architectural Committee for approval shall include the following:
 - (a) Site development plan, including drives, paths, fences, decks, patios and all proposed improvements in connection with such building.
 - (b) Landscaping plan to include all trees, bushes, and various plantings, etc.
 - (c) Complete and detailed construction plans and specifications to include all exterior elevations, materials to be used, and colors.
6. The following lots are zoned R-S-2-1600 and shall be improved only in strict conformance with the definitions and restrictions of that zoning classification:

Lots 91-102, inclusive; and 104-110, inclusive.

Zone R-S-2-1400 Residential - Single Family -
Two Story - 1400 Square Feet

Zone R-S-2-1400 defined:

1. Improvements on each lot within this zone shall be used exclusively for the purposes of a single family residence.
2. A residence within this zone shall be limited to a maximum of two stories in height wherein a second story shall be defined as any floor level which lies at an elevation of more than five (5) feet but less than twelve (12) feet above any other floor level within the same residence.
3. The Architectural Committee has the authority to set up additional regulations as to the height and size requirements for all buildings and structures within this zone including fences, walls, eaves, trellises, copings and other such surfaces, projections and appendages as will visibly affect the appearance of said buildings and structures.
4. A residence within this zone shall contain not less than one thousand four hundred (1400) square feet of fully enclosed area devoted to living purposes. Said floor area shall be exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings and shall be computed from faces of exterior walls. The ground floor of said residence must contain at least one thousand (1000) square feet of fully enclosed floor area devoted to living purposes.
5. Permits and/or approvals for the construction of improvements on properties zoned R-S-2-1400 shall be issued only as a result of a thorough review of a complete and detailed set of construction plans of the proposed building by the Architectural Committee (construction shall thereafter commence only upon receipt of written approval by the Architectural Committee). Plans submitted to the Architectural Committee for approval shall include the following:
 - (a) Site development plan, including drives, paths, fences, decks, patios and all proposed improvements in connection with such building.
 - (b) Landscaping plan to include all trees, bushes, and various plantings, etc.
 - (c) Complete and detailed construction plans and specifications to include all exterior elevations, materials to be used, and colors.

6. The following lots are zoned R-S-2-1400 and shall be improved only in strict conformance with the definitions and restrictions of that zoning classification:

Lots 1-90, inclusive; and Lot 103.

B. Approval to Build

Property owners wishing to construct residences in any classification must submit three (3) sets of plans as set forth above for each classification prior to and well in advance of the time they intend to commence construction, as it is not permissible to proceed with construction until such a time as written authorization and approval of such plans submitted have been received from the Architectural Committee. Plans for approval should be mailed to Architectural Committee, c/o Lake Forest, Inc., Post Office Box C, Daphne, Alabama 36526.

C. Building Setback - Standards

Setbacks on each side from the side property line of all residential lots shall be a minimum of five (5) feet; however, the combined side setbacks shall total a minimum of fifteen (15) feet. Front setbacks shall be a minimum of thirty (30) feet from the front of each lot. Rear setbacks shall be a minimum of twenty (20) feet from the rear of each lot (with the exception that there is no minimum setback requirement from the rear property line on waterfront lots). In the event of any conflict between these requirements and any others later imposed by any governmental authority, such other shall govern.

D. Minimum Building Elevations

No living area of any building shall be constructed with a finished floor level at an elevation of less than Plus (+) twenty-five (25) feet above sea level without written notification to the Architectural Committee by the owner of the lot on which the building will be built, that the owner has familiarized himself as to the changes of water elevations and written approval from the Architectural Committee. The Architectural Committee has the right to disapprove any plans which, in locating the finished floor elevation, will impair an adjacent lot's view.

E. Sewage Disposal & Water System

1. Owners of homes completed prior the completion of the central sewage system and/or water system must make connection to such systems within thirty (30) days after completion of each such system.

2. No permits and/or approvals for the constructions of improvements on any lots shall be granted or approved by the Architectural Committee unless and until the property owner desiring such approval shall have made satisfactory financial arrangements with a licensed plumber, approved by Declarant, for making connections from the central sewer system and the central water system for such property owner's lot.

F. Temporary Structures

No structures of a temporary character, basement, tent, shack, trailer, camper, garage or any other outbuilding shall be used on any lot at any time as a permanent or temporary residence, or dwelling, except under a temporary written permit which may be granted, upon specific time limitations of such use, in the discretion of the Declarant. Nor shall such be placed on or erected on any lot or lots; provided, however, that the Architectural Committee may grant permission for such temporary buildings or structures for the storage of materials during construction by the persons doing such work.

G. Construction Periods

The work of constructing, altering or remodeling any building on any lot or lots shall be pursued diligently from the commencement until the completion thereof.

H. Lot Grading and Filling

1. All planned lot grading shall be approved in advance by the Architectural Committee.
2. No lot may be filled to a point higher than the highest point on the lot in its natural state. All lot filling shall be approved in advance by the Architectural Committee.

I. Nuisances

No noxious or offensive activity shall be carried on upon any of the development, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

J. Refuse

No lot shall be used or maintained as a dumping ground for rubbish, refuse or garbage. Garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the disposal or storage of such matter shall be kept in a clean and sanitary condition, and all incinerators shall be approved by the Architectural Committee before installation or use.

K. Boat and Trailer Storage

No boat, boat trailer, travel trailer, camp trailer, house trailer, or other similar property shall be stored on any of the development without prior written approval of the Architectural Committee.

L. Radio and Television Antennae

No television or radio antennae or towers may be erected or maintained anywhere upon the development without prior written consent of the Architectural Committee.

M. Laundry

All drying of wash must be done in an area approved for that purpose by the Architectural Committee, except that a folding drying rack not more than four (4) feet in height may be placed at the rear of any lot, and shall be stored when not in use.

N. Pets and Other Animals

No livestock of any description may be kept or permitted on the property with the exception of dogs, cats, and other animals which are qualified household pets, and which do not make objectionable noise or constitute a nuisance or inconvenience to owners of other lots nearby. No raising, breeding, training or dealing in dogs, cats, or any other animals may be permitted on or from any lot. Horseback riding shall be limited to approved equestrian trails.

O. Signs

No signs, billboards or advertising structures of any kind shall be allowed on any of the lots, except with written permission from the Architectural Committee.

P. Oil Drilling

Oil drilling, oil development operations, refining, mining operations of any kind, or quarrying, shall not be permitted upon, in or under any of the lots, nor shall oil wells, exposed oil or gas tanks, tunnels, mineral excavations or shafts be permitted upon or in any of the lots. Notwithstanding the restrictions set forth in the preceding sentence, Declarant may carry on such restricted activities, in its discretion.

V.

ARCHITECTURAL COMMITTEE

- A. All plans and specifications for any building, swimming pool, fence, wall or other structures whatsoever to be erected on or moved upon any lot, and the proposed location thereof on any lot or lots, the roofs and exterior color schemes thereof, any later changes or additions thereto after initial approval thereof, and any remodeling, reconstruction, alterations or additions to the building or other structures on any lot shall be subject to and shall require the approval, in writing, of the Architectural Committee, as the same is from time to time composed, before any such work is commenced.
- B. The Architectural Committee is composed of the following three (3) members as appointed by Declarant:

W. H. Maurer
P. H. Hector
W. O. Jameson

Action by any two of the members of the Architectural Committee without objection by the other members shall be an act of the committee itself.

- C. Any vacancy shall be filled by the remaining member or members of said Architectural Committee. The Architectural Committee may appoint advisory committees from time to time to advise it on matters pertaining to the subdivision. There shall be submitted to the Architectural Committee three (3) complete sets of plans and specifications of any and all improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence, or other structure proposed to be constructed, altered, placed or maintained, together with the proposed color scheme for roofs and exteriors thereof.
- D. The Architectural Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. Two (2) sets of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned to the person submitting them, and the other copy thereof shall be retained by the Architectural Committee.

BOOK 24 PAGE 460

- E. The Architectural Committee shall have the right to disapprove any plans, specifications or details submitted to it as aforesaid in the event such plans, specifications and details are not in accordance with all of the provisions of this Declaration, if the design or color schemes of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures, if the plans and specifications submitted are incomplete, or in the event the Architectural Committee deems the plans, specifications or details or any part thereof, to be contrary to the interests, welfare, or rights of all or any part of the real property subject hereto, or the owners thereof, all in the sole discretion of the Architectural Committee. The decision of the Architectural Committee shall be final.
- F. Neither the Architectural Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans and specifications.

VI.

WATERWAYS

- A. No boat dock, pilings or bulkhead shall be placed on any residential site without the prior written consent and approval of the Architectural Committee.
1. Any boat dock, pilings or bulkheads constructed shall be constructed in such a manner as to accommodate the mooring of vessels parallel to the shoreline only and such boat dock, pilings or bulkheads shall not extend or lie into the water in such a manner or such a length so as to interfere with navigation on such navigable waterway.
 2. All boat docks shall be of permanent finished construction, and no temporary or make-shift type boat dock, shall be erected, placed or maintained on said premises, nor shall any unfinished boat docks be used or permitted to remain in such condition. No automobile or other tires shall be used as bumpers on docks or anywhere in the subdivision, either permanently or temporarily.
 3. No substantial repairs, construction or reconstruction of boats beyond those normally and customarily personally performed by the owner of pleasure boats generally shall be carried on or performed on any residential boat dock.

- B. No vessel or boat shall be anchored in any of the canals or waters within the development or in waters adjacent to the development so that the same shall in anywise interfere with navigation. No vessel, boat or person shall use any of the canals or other waters of the development in any manner which would be in violation of reasonable rules and regulations, with respect to the use thereof promulgated as hereinafter provided. Such rules and regulations may place reasonable restrictions upon the speed of boats and vessels in all or any part of such waters and upon the size and types of boats and vessels permitted to navigate in such waters or any part thereof by aircraft, and may impose such other rules and regulations for the safety, protection and enjoyment of said waters as may from time to time be deemed necessary or desirable. The aforementioned reasonable rules and regulations may be, at the option of Declarant, promulgated and enforced by Declarant. Such rule and regulation making power and the enforcement of such rules and regulations may be assigned by Declarant to the Lake Forest Property Owners Association, Inc. and/or any appropriate governmental authorities.
- C. No cut or change in the shoreline of the canals in the development shall be made, nor shall any boat canal be dug or excavated, nor shall any fill be made in any canal or other waters in the subdivision, without the prior written approval of the Architectural Committee.

VII.

BOAT DOCKS AND PIERS

All boat docks and piers will be kept in a clean, sightly and wholesome condition. It is required that the Architectural Committee approve all docks and piers in regard to size, design and type to be used and placement on lot in regard to location on lot and proximity to the water.

Permits and/or approvals for the construction of boat docks shall be issued only as the result of a thorough review of complete and detailed construction plans of the proposed structure (facility) by the Architectural Committee. Construction shall thereafter commence only upon written approval by the Architectural Committee.

VIII.

PARKING REQUIREMENTS

- A. There shall be a minimum of two (2) automobile parkway stalls of at least eight (8) feet by eighteen (18) feet each for each

single family residence or dwelling unit constructed on any lot or tract.

- B. Said two (2) parking stalls shall be constructed entirely within the building setback area as defined herein, and at least one stall of same shall be sheltered.
- C. Enclosures, shelters, screens and other improvements constructed for the purpose of automobile parking and other vehicles shall be attached to and a part of the structure of the house constructed on any lot.

IX.

VARIANCES

- A. The Architectural Committee may allow reasonable variances and adjustments of these conditions and restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations contained herein; provided, however, that such is done in conformity to the intent and purposes hereof; and provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. Variances and adjustments of height, size and setback requirements may be granted hereunder.
- B. The Architectural Committee may also determine and allow in the respective classifications of lots, additional uses which are of the same character.
- C. In the event there shall be governmental regulations which conflict with or prevent works of construction or improvements in the manner as required by the within regulations, these circumstances shall be deemed to constitute practical difficulties justifying allowances of variances and adjustments of said regulations in order to prevent unnecessary hardship; provided, however, that in every instance the variance or adjustment shall not be materially detrimental or injurious to property or improvements in the neighborhood.

X.

FENCES AND BOUNDARY PLANTING

- A. No wall, coping or fence exceeding six (6) feet in height measured from the adjoining ground surface inside the wall may be erected or maintained on any lot except as hereinbefore provided. Boundary planting along side and rear lot lines, except trees with single trunks, shall not be permitted to grow higher than eight (8) feet.

- B. No wall, coping or fence may be constructed on any lot which adjoins the golf course.
- C. No wall, coping, fence or boundary planting on any lot may be constructed, grown or maintained in such a manner as to interfere with vision of drivers at any intersection of streets or roads.

XI.

UTILITY AND DRAINAGE EASEMENTS

- A. The right is reserved to construct and maintain public utilities on the streets and roads of the subdivision either above or below ground and to make all necessary slopes for cuts or fills upon the lots shown on the herein referred to survey map in the original grading of said streets and roads; and Declarant reserves perpetual utility easements under, over and across a strip five (5) feet (unless otherwise noted on the plat herein referred to, in which case said plat shall govern) in width adjacent to and along the side yard lines of each lot for the purpose of placing, laying, erecting, constructing, maintaining, and operating, or of authorizing the placement, laying, erection, construction, maintenance and operation of utilities (including without limitation, sewage, water, electricity, gas, telephone and telegraph); and Declarant reserves perpetual easements under, over and across a strip ten (10) feet (unless otherwise noted on the plat herein referred to, in which case said plat shall govern) in width adjacent to and along the front and back yard lines of each lot for the purpose of placing, laying, erecting, constructing, maintaining or operating or of authorizing the placement, laying, erection, construction, maintenance and operation of utilities and drainage systems. No change in the natural drainage shall be made by any lot owner without prior written approval from the Architectural Committee.
- B. The interest conveyed by Declarant to any of said lots by contract, deed or other conveyance, shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, power, telegraph and telephone lines, poles or conduits, or any other utility or appurtenances thereto constructed by Declarant, or its agents, or by any utility company along or upon said lots, or any part thereof, to serve said property. The right to sell, convey or

lease water and sewer lines and their appurtenances erected by or on behalf of Declarant is hereby expressly reserved in Declarant.

XII.

APPEARANCE OF LOTS, REMOVAL OF TREES

- A. Each lot, at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any lot so they are visible from any neighboring lot or road, except as necessary during a period of construction.
- B. All service yards, woodpiles and storage piles shall be walled in or kept screened by adequate solid fencing or walls in such manner as to conceal them from neighboring lots and roadways.
- C. No lot shall be used in whole or in part for the storage of any property or thing that will cause such lot to appear in an unclean, disorderly or untidy condition or that will be otherwise obnoxious. No obnoxious or offensive activity shall be carried on upon any lot nor shall anything be done, placed or stored thereon which may be or become an annoyance or nuisance to the neighborhood or occasion any noise or odor which will, or might, disturb the peace, quiet, comfort or serenity of the occupants of nearby lots.
- D. No trees shall be removed without first obtaining written consent of the Architectural Committee.

XIII.

LAKE FOREST YACHT AND COUNTRY CLUB, INC.
AND/OR
LAKE FOREST PROPERTY OWNERS ASSOCIATION, INC.

Each purchaser of a lot or lots in the subdivision shall be acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot or lots binds himself, his heirs, personal representatives and assigns, to pay all charges and assessments as shall be determined and levied upon such a lot and/or purchaser by Lake Forest Yacht and Country Club, Inc. and/or Lake Forest Property Owners Association, Inc., including interest on such charges and assessments and collection costs thereof, if any, including attorneys' fees; and the obligation to pay such charges, assessments, interest and costs thereby constitute a lien and an obligation running with the land.

All liens herein provided for shall be enforceable by appropriate legal proceedings in the manner provided by law. No proceedings for enforcement of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien becomes due and payable.

Liens of first mortgages placed upon any of said lots for the purpose of constructing a residence or other improvement thereon and recorded in accordance with the laws of the State of Alabama, shall be, from the date of such recordation, superior to any and all liens provided for herein. Declarant may, if requested, execute instruments to subordinate any and all liens provided for herein to such liens of first mortgages.

Declarant may, at its option, by appropriate written instrument recorded in accordance with the laws of the State of Alabama, subordinate any and all liens provided for herein to the liens of other mortgages and/or other encumbrances.

XIV.

REMEDIES FOR VIOLATIONS

- A. All provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein shall be binding on all of the lots in the subdivision and the owners thereof, regardless of the source of title of such owners, and any breach thereof, if continued for a period of thirty (30) days from and after the date that Declarant, or its successors or assigns, or any other property owners, shall have notified in writing the owner or resident in possession of the lot upon which or as to which such breach has been committed to refrain from a continuance of such action and to correct such breach, shall warrant the Declarant, its successors or assigns, or other lot owner, to apply to any court of law or equity having jurisdiction thereof for an injunction or other proper relief, and if such relief be granted the court may, in its discretion, award to the plaintiff in such action reasonable expense in prosecuting such suit, including attorney's fees.
- B. Violation of any of the foregoing provisions, restrictions, conditions, easements, covenants, agreements, liens and charges shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any lot or lots.

XVII.

PARTIAL INVALIDITY

In the event that any one or more of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges

herein set forth shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein set forth shall continue unimpaired and in full force and effect.

XVIII.

REMEDIES CUMULATIVE

The various rights and remedies of Declarant and the owners of lots as heretofore set out are and shall be cumulative. All of them may be used, relied upon, resorted to and enforced without in any way affecting the ability of Declarant or the said property owners to use, rely upon, resort to or enforce the others, or any of them.

XIX.

AMENDMENTS

Any or all of the provisions of these restrictions, conditions, easements, covenants, liens and charges may be annulled, amended or modified at any time by the consent of the owner or owners of record of eighty-five (85%) percent of the property (computed by acreage) encompassed within the Lake Forest Development. The property encompassed within the Lake Forest Development is defined for the purpose of this paragraph only, as the lots described in the aforesaid plat and all property adjacent thereto or within two (2) miles thereof which was in the past, is now, or may at the time of such amendment be owned by Lake Forest, Inc., or its assigns.

XX.

CAPTIONS

The captions of the various paragraphs of this Declaration are for convenience only and are not a part of the terms or provisions thereof.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed the day and year first above written.

LAKE FOREST, INC.

By P. Nelson Dexter
Vice President


Assistant Secretary

15.

BOOK 24 PAGE 467

STATE OF NEW JERSEY)
)
COUNTY OF UNION)

I, the undersigned Notary Public in and for said County and State, hereby certify that P. Holcomb Hector and Jack A. Furman, whose names as Vice President and Assistant Secretary, respectively, of Lake Forest, Inc., an Alabama corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they as such officers and with full authority, executed the same voluntarily for and as the act of said corporation on the day and year the same bears date.

GIVEN under my hand and official notarial seal this 26th day of September, 1973.

Irene A. Christensen
NOTARY PUBLIC

My commission expires:
IRENE A. CHRISTENSEN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 21, 1978



STATE OF ALABAMA,
BALDWIN COUNTY
I certify that this instrument was filed on

OCT 9 1973 9A M

and that no tax was collected. Recorded in
Book 24
Page 453 misc
By 468 RS Judge of Probate

BOOK 24 PAGE 468



THE HOME INDEMNITY COMPANY

110 OFFICE PARK DRIVE • P. O. BOX 7365-A • BIRMINGHAM, ALABAMA 35223
TELEPHONE 205 879-3361

May 14, 1973

Mr. Harry D'Olive
Judge of Probate
P. O. Box 450
Bay Minette, Ala. 36507

Dear Sir:

Reference is made to:

- a. Power of Attorney
- b. L. C. Maury, Fairhope, Ala.

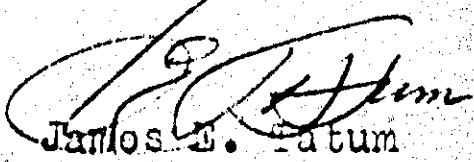
Mr. L. C. Maury filed original Power of Attorney with you on October 10, 1967 and it was recorded in book 21 page 215. In view of the fact that Mr. Maury no longer represents The Home Indemnity Company we respectfully request this Power of Attorney be released. We would appreciate having written confirmation that Power of Attorney for L. C. Maury, Fairhope, Alabama in amount of \$100,000 has been terminated.

For your convenience in reply we are pleased to enclose self addressed stamped envelope.

Respectfully yours,

STATE OF ALABAMA,
BALDWIN COUNTY

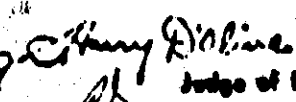
I certify that this instrument was filed on


James E. Tatum
Bond Supervisor

JET/lc

OCT 11 1973

and that no tax was collected. Recorded in

Book 24 
Page 469 Judge of Probate
By Joe

261535

AMENDMENT OF DECLARATIONS OF RESTRICTIONS, CONDITIONS, EASEMENTS,
COVENANTS, AGREEMENTS, LIENS AND CHARGES OF LAKE FOREST, INC.

WHEREAS, Lake Forest, Inc. (the Declarant) has imposed certain Declarations of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges (hereinafter "Declarations") on all residential lots in Units, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 & 32 of the Lake Forest development, and has imposed certain Additional Restrictions, Covenants and Liens (hereinafter "Additional Restrictions") on certain residential lots in Units 2, 3, 4, 5, 6 and "Windsor Square" of the Lake Forest development; which such Declarations or Additional Restrictions are recorded as follows:

<u>Unit</u>	<u>Miscl. Book</u>	<u>Page</u>
2, 3, 4, 5, 6, & Windsor Square }	22	687
7, 8, & 9	22	691
10 & 14	22	783
11 & 15	22	857
12 & 16	22	959
17	23	65
18 & 19	23	137
20	23	321
21	23	471
22	24	27
23	23	81 & 873
24	24	87
25	24	100
26	24	114
27	24	564
28	24	393
29	24	453
32	{ 24	549
	25	191

WHEREAS, Lake Forest, Inc. is the owner of record of eighty-five percent (85%) of the property (computed by acreage) encompassed within the Lake Forest development, as evidenced by Exhibit A, attached hereto.

NOW THEREFORE, pursuant to the provisions of Article XIX of said Declarations and Article VII of said Additional Restrictions, Lake Forest, Inc. owner of record of 85% of the property (computed by acreage) encompassed within the Lake

BOOK 26 PAGE 1

Forest development, Baldwin County, Alabama, hereby amends Article XIII of said Declarations and Article IV of said Additional Restrictions, so that said Article(s) shall henceforth read in its entirety as follows:

XIII

LAKE FOREST YACHT AND COUNTRY CLUB, INC.
AND/OR
LAKE FOREST PROPERTY OWNERS ASSOCIATION, INC.

Each purchaser of a lot or lots in the subdivision shall, by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot or lots bind himself, his heirs, personal representatives, and assigns, to pay all charges and assessments as shall be determined and levied upon such a lot and/or purchaser by Lake Forest Yacht and Country Club, Inc. and/or Lake Forest Property Owners Association, Inc., (hereinafter sometimes referred to as the "Organizations") including interest on such charges and assessments and collection costs thereof, if any, including attorneys' fees; and the obligation to pay such charges, assessments, interest and costs thereby constitutes a lien and an obligation running with the land.

All liens herein provided for shall be enforceable by appropriate legal proceedings, in the manner provided by law. No proceedings for enforcement of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien becomes due and payable.

Liens of first mortgages placed upon any of said lots for the purpose of constructing a residence or other improvement thereon and recorded in accordance with the laws of the State of Alabama, shall be, from the date of such recordation, superior to any and all liens provided for herein. Declarant shall, if requested, execute further instruments to subordinate any and all liens provided for herein to such liens of first mortgages.

Declarant may, at its option, by appropriate written instrument recorded in accordance with the laws of the State of Alabama, subordinate or waive any and all liens provided for herein.

PROVIDED HOWEVER, and with exception anything to the contrary set out herein (these Declarations) notwithstanding:

(1) Any lot owner or purchaser (hereinafter referred to as "Owner"), who obtains a Veterans Administration guaranteed or Federal Housing Administration insured loan for the purchase or construction of a home on any lot within the subdivision, or

(2) If the Veterans Administration or Federal Housing Administration (hereinafter referred to as "Government"), holds a mortgage on, or owns any lot within the subdivision,

said Owner, and successors in title to said lot for the length of time said loan is outstanding, and said Government, its successors, assigns, or its mortgagors, their transferees or assigns, (so long as said mortgage is outstanding) shall have the right to resign at any time (if then a present member) from the membership in said Lake Forest Yacht and Country Club, Inc., and/or Lake Forest Property Owners Association, Inc. (hereinafter referred to as "Organizations"), or shall have the right to refuse at any time to pay initiation fee or to join (if then not a present member) said Organizations, in either of which event, no fees, penalties, future charges, liens or assessments, or interest or costs thereon -- of the nature set forth above and herein this Article, shall arise, accrue or be due to, or charged or assessed by, Declarant, or the Organizations, or their assigns or successors in interest, against said Owner or successors in title, or against said Government, its successors, assigns or its mortgagors their transferees or assigns, other than the regular dues and fees applicable to all members accrued during

BOOK 26 PAGE 3

such time as Owner or successors in title, or Government, its successors, assigns, or its mortgagors their transferees or assigns, are actually members. Should Owner, or successors in title, or Government, its successors, assigns, or its mortgagors their transferees or assigns, either not join or resign from Organizations, they shall have no right to use any of the common facilities.

Further, if said Owner or successors in title, or Government, its successors, assigns, or its mortgagors their transferees or assigns decides to join or retain membership in the Organizations, all delinquent charges, initiation fees, or dues shall not be a lien or charge against the land in which they have an interest or own, but shall constitute a debt against the member, and said debt shall not be transferable to any successor in title or interest in or to said land.

IN WITNESS WHEREOF, Lake Forest, Inc., as Declarant, has caused this Amendment to be executed this 12th day of December, 1975.

LAKE FOREST, INC.

(CORPORATE SEAL)

By P. Halcomb Hector
As Its Vice Pres.

ATTEST:

By Marshall J. DeMouy
As Its Secretary

STATE OF ALABAMA

COUNTY OF

I, the undersigned Notary Public in and for said county in said state, hereby certify that P. Halcomb Hector and Marshall J. DeMouy, whose names as Vice President and Secretary of LAKE FOREST, INC., a corporation, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they as such officers, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and Notarial Seal this the 12th day of December, 1975.

(AFFIX NOTARIAL SEAL)

My Commission Expires: 1-8-78

Berna M. Tucker
Notary Public, State of Alabama at Large

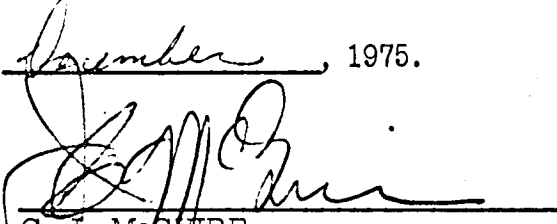
BOOK 26 PAGE 4

CERTIFICATE

I, the undersigned, C. J. McGuire, Project Manager of the Lake Forest development, do hereby certify that as of the date hereof, Lake Forest, Inc. is the owner of record of eighty-five percent (85%) of the property (computed by acreage) encompassed by Lake Forest development. The property encompassed within the Lake Forest development is defined as the lots shown on the plats of Windsor Square, Lake Forest, Unit Two through Twelve, inclusive, Units Thirteen through Twenty-nine, inclusive, and Unit Thirty-Two, together with all property adjacent thereto within two miles thereof which was in the past, or is now, owned by Lake Forest, Inc.

In making this certification, I have relied upon a report from Title Insurance Company of Mobile (who searched the records in the Office of the Judge of Probate of Baldwin County, Alabama) as to the record ownership of such property and calculations made by Aust-Ponder Engineering Surveying.

Certified this 12th day of December, 1975.

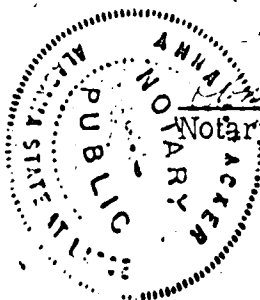

C. J. McGUIRE
Registered Engineer
Alabama Registration No. 7050

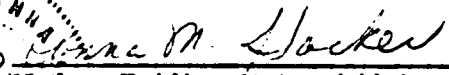
SUBSCRIBED TO AND SWORN

BEFORE ME THIS 12th

DAY OF December

1975.



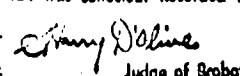

Notary Public, State of Alabama at Large

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

DEC 22 1975 11/30 AM

and that no tax was collected. Recorded in

Book 26 
Page 1 Judge of Probate

By 5 

BOOK 26 PAGE 5

SECOND AMENDMENT OF DECLARATIONS OF RESTRICTIONS, CONDITIONS,
EASEMENTS, COVENANTS, AGREEMENTS, LIENS
AND CHARGES OF LAKE FOREST, INC.

WHEREAS, Lake Forest, Inc. (the Declarant) has imposed certain Declarations of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges (hereinafter "Declarations") on all residential lots in Units, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 & 32 of the Lake Forest development, and has imposed certain Additional Restrictions, Covenants and Liens (hereinafter "Additional Restrictions") on certain residential lots in Units 2, 3, 4, 5, 6 and "Windsor Square" of the Lake Forest development; which such Declarations or Additional Restrictions are recorded in the records in the office of the Judge of Probate of Baldwin County, Alabama, as follows:

<u>Unit</u>	<u>Misc. Book</u>	<u>Page</u>
2, 3, 4, 5, 6 & Windsor Square	22	687
7, 8, & 9	22	691
10 & 14	22	783
11 & 15	22	857
12 & 16	22	959
17	23	65
18 & 19	23	137
20	23	321
21	23	471
22	24	27
23	23	81 & 873
24	24	87
25	24	100
26	24	114
27	24	564
28	24	393
29	24	453
32	24	549
	25	191

BOOK 26 PAGE 535

WHEREAS, by instrument recorded in Miscellaneous Book 26, Page 1 of said records, such Declarations and Additional Restrictions were amended.

WHEREAS, Lake Forest, Inc. is the owner of record of eight-five percent (85%) of the property (computed by acreage) encompassed within the Lake Forest development, as evidenced by Exhibit A, attached hereto.

NOW THEREFORE, pursuant to the provisions of Article XIX of said Declarations and Article VII of said Additional Restrictions, Lake Forest, Inc. owner of record of 85% of the property (computed by acreage) encompassed within the Lake Forest development, Baldwin County, Alabama, hereby further amends Article XIII of said Declarations and Article IV of said Additional Restrictions, so that said Article(s) shall henceforth read in its entirety as follows:

XIII

LAKE FOREST YACHT AND COUNTRY CLUB, INC.
AND/OR
LAKE FOREST PROPERTY OWNERS ASSOCIATION, INC.

Each purchaser of a lot or lots in the subdivision shall, by acceptance of a deed thereto or the signing of a contract or agreement to purchase the same, whether from Declarant or a subsequent owner of such lot or lots bind himself, his heirs, personal representatives, and assigns, to pay all charges and assessments as shall be determined and levied upon such a lot and/or purchaser by Lake Forest Yacht and Country Club, Inc. and/or Lake Forest Property Owners Association, Inc., (hereinafter sometimes referred to as the "Organizations") including interest on such charges and assessments and collection costs thereof, if any, including attorneys' fees; and the obligation to pay such charges, assessments, interest and costs thereby constitutes a lien and an obligation running with the land.

All liens provided for shall be enforceable by appropriate legal proceedings, in the manner provided by law. No proceedings for enforcement of any such lien or liens shall be commenced except upon the expiration of four (4) months from and after the date the charge or assessment giving rise to such lien becomes due and payable.

Liens of first mortgages placed upon any of said lots for the purpose of constructing or purchasing a residence or other improvement thereon and recorded in accordance with the laws of the State of Alabama, shall be, from the date of such recordation, superior to any and all liens provided for herein. Declarant shall, if requested, execute further instruments to subordinate any and all liens provided for herein to such liens of first mortgages.

Declarant may, at its option, by appropriate written instrument recorded in accordance with the laws of the State of Alabama, subordinate or waive any and all liens provided for herein.

PROVIDED HOWEVER, and with exception anything to the contrary set out herein (these Declarations) notwithstanding:

(1) Any lot owner or purchaser (hereinafter referred to as "Owner"), who obtains either (a) a Veterans Administration guaranteed, (b) a Federal Housing Administration insured loan, (c) a Federal National Mortgage Association conventional loan, or (d) a conventional first mortgage loan for the purchase or construction of a home on any lot within the subdivision, or

(2) If either (a) the Veterans Administration, (b) the Federal Housing Administration, (c) the Federal National Mortgage Association, or (d) a conventional lender, (hereinafter referred to as "Lender"), holds a first mortgage on, or owns any lot within the subdivision,

said Owner, and successors in title to said lot for the length of time said loan is outstanding, and said Lender, its successors, assigns, or its mortgagors, their transferees or assigns, shall have the right to resign at any time (if then a present member) from the membership in said Lake Forest Yacht and Country Club, Inc., and/or Lake Forest Property Owners Association, Inc. (hereinafter referred to as "Organizations"), or shall have the right to refuse at any time to pay initiation fee or to join (if then not a present member) said Organizations, in either of which event, no fees, penalties, future charges, liens or assessments, or interest or costs thereon--of the nature set forth above and herein this Article, shall arise, accrue or be due to, or charged or assessed by Declarant, or the Organizations, or their assigns or successors in interest, against said Owner or successors in title, or against said Lender, its successors, assigns or its mortgagors, their transferees or assigns, other than the regular dues and fees applicable to all members accrued during

BOOK 26 PAGE 537

such time as Owner or successors in title, or Lender, its successors, assigns, or its mortgagors, their transferees or assigns, are actually members. Should Owner, or successors in title, or Lender, its successors, assigns, or its mortgagors, their transferees or assigns, either not join or resign from Organizations, they shall have no right to use any of the common facilities.

Further, if said Owner or successors in title, or Lender, its successors, assigns, or its mortgagors, their transferees or assigns decides to join or retain membership in the Organizations, all delinquent charges, initiation fees, or dues shall not be a lien or charge against the land in which they have an interest or own, but shall constitute a debt against the member, and said debt shall not be transferable to any successor in title or interest in or to said land.

IN WITNESS WHEREOF, Lake Forest, Inc., as Declarant has caused this Amendment to be executed this 5th day of October, 1976

LAKE FOREST, INC.



By [Signature]
As Its Vice President

ATTEST:

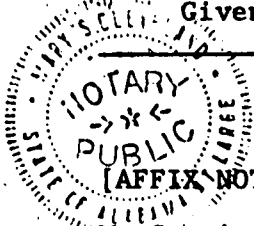
By [Signature]
As Its Secretary-Treasurer

STATE OF ALABAMA

COUNTY OF

I, the undersigned Notary Public in and for said county in said state, hereby certify that [Signatures] and [Signatures] whose names as Vice President and Secretary-Treasurer of LAKE FOREST, INC., a corporation, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they as such officers, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and Notarial Seal this the 5th day of Oct., 1976.



My Commission Expires:

8/20/78

[Signature]
Notary Public, State of Alabama at Large

This instrument prepared by
T. K. Jackson, III

1101 Merchants National Bank Building
Mobile, Alabama 36602

- 4 -

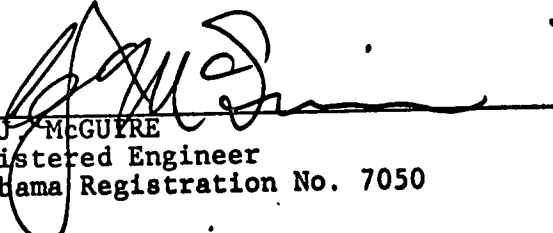
BOOK 26 PAGE 538

CERTIFICATE

I, the undersigned, C. J. McGuire, Division Engineer for the Lake Forest development, do hereby certify that as of the date hereof, Lake Forest, Inc. is the owner of record of eighty-five percent (85%) of the property (computed by acreage) encompassed by Lake Forest development. The property encompassed within the Lake Forest development is defined as the lots shown on the plats of Windsor Square, Lake Forest, Unit Two through Twelve, inclusive, Units Thirteen through Twenty-nine, inclusive, and Unit Thirty-two, together with all property adjacent thereto within two miles thereof which was in the past, or is now, owned by Lake Forest, Inc.

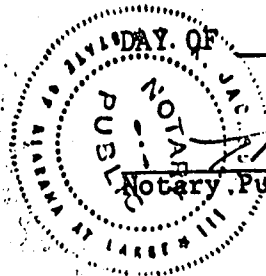
In making this certification, I have relied upon a report from Title Insurance Company of Mobile (who searched the records in the Office of the Judge of Probate of Baldwin County, Alabama) as to the record ownership of such property, calculations made by Aust-Ponder Engineering Surveying, the records in the office of the Judge of Probate of Baldwin County, Alabama, and the records of Lake Forest, Inc.

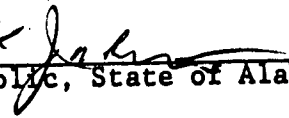
Certified this 5th day of October, 1976.


C. J. MCGUIRE
Registered Engineer
Alabama Registration No. 7050

SUBSCRIBED TO AND SWORN

BEFORE ME THIS 5th
DAY OF October, 1976.



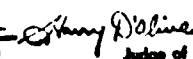

Notary Public, State of Alabama at Large

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

OCT 8 1976 2PM

and that no tax was collected. Recorded in misc

Book 36
Page 535 
Judge of Probate
539 

BOOK 26 PAGE 539

CORRECTION OF DELCARATIONS OF RESTRICTIONS, CONDITIONS,
EASEMENTS, COVENANTS, AGREEMENTS, LIENS
AND CHARGES OF LAKE FOREST, INC.

WHEREAS, Lake Forest, Inc., (the Declarant) has imposed certain Declarations of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges (hereinafter "Declarations") on all residential lots in Units 22, 23, 24, 25, 26, 27, 28, 29, 30 and 32 of the Lake Forest development; which such Declarations are recorded in the records in the office of the Judge of Probate of Baldwin County, Alabama, as follows:

<u>UNIT</u>	<u>MISCL. BOOK</u>	<u>PAGE</u>
22	{ 23	592
	{ 24	27
23	{ 23	851
	{ 23	873
24	24	87
25	24	100
26	24	114
27	24	564
28	24	393
29	24	453
30	24	841
32	{ 24	549
	{ 25	191

WHEREAS, by instruments recorded in Miscellaneous Book 26, Page 1 and Miscellaneous Book 26, Page 535 of said records, such Declarations were amended.

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

JUN 28 1977 *BA m m m m m*

27
276
282

and that no tax was collected. Recorded in *282*
Henry D. Oline
Judge of Probate
03

BOOK 27 PAGE 276

WHEREAS, the original declarations were missing a portion of the article captioned "XIV REMEDIES FOR VIOLATIONS", the entire article captioned "XV ACCEPTANCE OF DECLARATION", and the entire article captioned "XVI NO RIGHTS WAIVED BY DELAY".

NOW THEREFORE, Lake Forest, Inc., owner of record of 85% of the property (computed by acreage) encompassed within the Lake Forest development, Baldwin County, Alabama, hereby corrects such Declarations for Units 22, 23, 24, 25, 26, 28, 29 and 30 by deleting that portion of said Article XIV as contained in the original Declarations and adding the attached Articles XIV, XV and XVI. As to Unit 27 and 32, Lake Forest, Inc., hereby corrects such Declarations by deleting that portion of said Article XIV as contained in the original Declarations; adding the attached Articles XIV, XV and XVI; and changing the article number as contained in the original Declarations, as follows:

XV changed to XVII
XVI changed to XVIII
XVII changed to XIX
XVIII changed to XX

The remaining portions of said original Declarations as amended by the instruments recorded in Miscellaneous Book 26 at pages 1 and 535, are hereby ratified and confirmed.

BOOK 27 PAGE 277

IN WITNESS WHEREOF, Lake Forest, Inc., as Declarant has caused this Correction to be executed this 17th day of June, 1977.

LAKE FOREST, INC.

By Jack A. Furman
As Its VICE-PRES.



BY W. H. Hendry
As Its Asst. Sec.

STATE OF
COUNTY OF

I, the undersigned Notary Public in and for said County in said State, hereby certify that Jack A. Furman and Kenneth E. Hendry, whose names as Vice President and Asst. Secretary of LAKE FOREST, INC., a corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they as such officers, and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and Notarial Seal this the 17th day of June, 1977.

(AFFIX NOTARIAL SEAL)

My Commission Expires:

SEPTEMBER 1, 1978

Notary Public for the State of La.

My Commission is issued for life.

Sidney J. Abdalla, Jr.
NOTARY PUBLIC

This instrument prepared by:

T. K. Jackson, III

1101 Merchants National Bank Building
Mobile, Alabama 36602

BOOK 27 PAGE 278

REMEDIES FOR VIOLATIONS

A. All provisions, restrictions, conditions, easements, covenants, agreements, liens, and charges herein shall be binding on all of the lots in the subdivision and the owners thereof, regardless of the source of title of such owners, and any breach thereof, if continued for a period of thirty (30) days from and after the date that Declarant, or its successors or assigns, or any other property owners, shall have notified in writing the owner or resident in possession of the lot upon which or as to which such breach has been committed to refrain from a continuance of such action and to correct such breach, shall warrant the Declarant, its successors or assigns, or other lot owner, to apply to any court of law or equity having jurisdiction thereof for an injunction or other proper relief, and if such relief be granted the court may, in its discretion, award to the plaintiff in such action reasonable expense in prosecuting such suit, including attorney's fees.

B. Violation of any of the foregoing provisions, restrictions, conditions, easements, covenants, agreements, liens and charges shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any lot or portion thereof in the subdivision but such provisions, restrictions, conditions, easements, covenants, agreements, liens and charges shall be enforceable against any portion thereof acquired by any person through foreclosure or by deed in lieu of foreclosure for any violation of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained occurring after the acquisition of said property through foreclosure, or deed in lieu of foreclosure.

C. In the event of violation or breach of any of said provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained, Declarant and also the owners of each of the other lots shall have the right to enter upon the lot or lots on which, or as to which such violation or breach exists, and summarily to abate or remove, at the expense of the owner thereof, any structure, thing or condition that may exist therein contrary to the intent and meaning hereof, and, Declarant, and its successors and assigns, shall not nor shall any other of the lot owners be deemed guilty of any manner of trespass for or by reason of such entry, abatement or removal.

BOOK 27 PAGE 279

XV

ACCEPTANCE OF DECLARATION

Each purchaser and grantee of any of the properties included within this Declaration, by acceptance of a deed conveying title thereto, shall accept such title upon and subject to each and all of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained, and also the jurisdiction, rights and power of this Declarant, and by such acceptance, shall for themselves, their heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Declarant, and to and with the grantees and subsequent owners of each of said lots within the subdivision to keep, observe, comply with and perform said provisions, restrictions, conditions, easements, covenants, agreements, liens and charges and each thereof.

XVI

NO RIGHTS WAIVED BY DELAY

No delay or omission on the part of the Declarant, or its successors or assigns in interest or the owner or owners of any lot or lots on said property, in exercising any right, power or remedy herein provided for in the event of any breach of any of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue, nor shall any action be brought or maintained by anyone whomsoever against Declarant, its successors or assigns, for or on account of its failure or neglect to exercise any right, power or remedy herein provided for in the event of any such breach, or for imposing herein provisions, restrictions, conditions, easements, covenants, agreements, liens and charges which may be unenforceable.

BOOK 27 PAGE 280

REMEDIES FOR VIOLATIONS

A. All provisions, restrictions, conditions, easements, covenants, agreements, liens, and charges herein shall be binding on all of the lots in the subdivision and the owners thereof, regardless of the source of title of such owners, and any breach thereof, if continued for a period of thirty (30) days from and after the date that Declarant, or its successors or assigns, or any other property owners, shall have notified in writing the owner or resident in possession of the lot upon which or as to which such breach has been committed to refrain from a continuance of such action and to correct such breach, shall warrant the Declarant, its successors or assigns, or other lot owner, to apply to any court of law or equity having jurisdiction thereof for an injunction or other proper relief, and if such relief be granted the court may, in its discretion, award to the plaintiff in such action reasonable expense in prosecuting such suit, including attorney's fees.

B. Violation of any of the foregoing provisions, restrictions, conditions, easements, covenants, agreements, liens and charges shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any lot or portion thereof in the subdivision but such provisions, restrictions, conditions, easements, covenants, agreements, liens and charges shall be enforceable against any portion thereof acquired by any person through foreclosure or by deed in lieu of foreclosure for any violation of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained occurring after the acquisition of said property through foreclosure, or deed in lieu of foreclosure.

C. In the event of violation or breach of any of said provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained, Declarant and also the owners of each of the other lots shall have the right to enter upon the lot or lots on which, or as to which such violation or breach exists, and summarily to abate or remove, at the expense of the owner thereof, any structure, thing or condition that may exist therein contrary to the intent and meaning hereof, and, Declarant, and its successors and assigns, shall not nor shall any other of the lot owners be deemed guilty of any manner of trespass for or by reason of such entry, abatement or removal.

BCCA 27 PALE 284
281

XV

ACCEPTANCE OF DECLARATION

Each purchaser and grantee of any of the properties included within this Declaration, by acceptance of a deed conveying title thereto, shall accept such title upon and subject to each and all of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained, and also the jurisdiction, rights and power of this Declarant, and by such acceptance, shall for themselves, their heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Declarant, and to and with the grantees and subsequent owners of each of said lots within the subdivision to keep, observe, comply with and perform said provisions, restrictions, conditions, easements, covenants, agreements, liens and charges and each thereof.

BOCA 27 MAR 282

XVI

NO RIGHTS WAIVED BY DELAY

No delay or omission on the part of the Declarant, or its successors or assigns in interest or the owner or owners of any lot or lots on said property, in exercising any right, power or remedy herein provided for in the event of any breach of any of the provisions, restrictions, conditions, easements, covenants, agreements, liens and charges herein contained shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue, nor shall any action be brought or maintained by anyone whomsoever against Declarant, its successors or assigns, for or on account of its failure or neglect to exercise any right, power or remedy herein provided for in the event of any such breach, or for imposing herein provisions, restrictions, conditions, easements, covenants, agreements, liens and charges which may be unenforceable.

DECLARATION OF CONDOMINIUM

SEP 15 1983 12P

OF

BAY FOREST PHASE II

and that no tax was collected. Recorded in
Book 46 *Shirley Deline*
Page 243-1011 Judge of Probate
DP 102 Index \$ By AC

THIS DECLARATION, made this day of
1983, by DANIEL L. DEYTON and DEBRA M. DEYTON, husband
and wife, herein called the "DEVELOPER," for themselves,
their heirs, successors, personal representatives,
grantees and assigns.

WHEREIN, the DEVELOPER makes the following declaration.

WHEREAS, DEVELOPER is the fee simple owner of that
certain parcel of real property situated in the County of
Baldwin, State of Alabama, hereinafter more particularly
described, and intends to improve said land in the
following manner:

The DEVELOPER proposes to establish the condominium
which shall be known as BAY FOREST PHASE II.

The condominium will consist of three (3) buildings,
containing a total of twenty-four (24) units, together
with access, parking and other facilities hereinafter
described.

The condominium will be created by the recording of
this Declaration, which may be amended by the DEVELOPER
without requiring the approval or consent by any of the
unit owners.

NOW, THEREFORE, DANIEL L. DEYTON and DEBRA M. DEYTON,
the DEVELOPER, hereby make the following Declaration as to
the division to which said real property hereinafter
described, and improvements thereon (and, in the event that
any or all of the property described on Exhibit B is
submitted to the condominium form of ownership and use
by amendment or amendments to this Declaration, said

MISC 046 PAGE 0943

property and improvements constructed thereon) may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding upon DEVELOPER, their heirs and assigns, and upon all subsequent owners of all or any part of said real property and improvements, together with their grantees, lessees, successors, heirs, executors, administrators, devisees or assigns.

I. PURPOSE

The purpose of this Declaration of Condominium is to submit the property and the improvements thereon constructed to the condominium form of ownership and use in the manner provided for by the "Condominium Ownership Act," Code of Alabama 1975, Section 35-8-1, et seq.

II. NAME

The name by which this condominium is to be known is BAY FOREST PHASE II.

III. THE REAL PROPERTY

The real property owned by DEVELOPER which is herewith submitted to the condominium form of ownership is the parcel of real property lying and being in Baldwin County, Alabama, and is more particularly described in EXHIBIT "A", which is attached hereto and expressly made a part hereof as though fully set forth herein.

IV. DEFINITIONS

The terms used herein and in the By-Laws shall have the meanings stated in the Condominium Ownership Act of Alabama, and as follows:

1. "Unit" means an apartment, and includes the private elements thereof, together with the undivided interests in the common elements which are assigned thereto.

2. "Unit Owner" means the owner of an apartment whether singly or jointly, partnership, corporation or other legal entity or the successors, heirs, administrators, executors or assigns, or the heirs or assigns of the survivor, as the case may be.

3. "Association" means BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., and its successors, and is the association of the Unit Owners referred to in said Act.

4. "Common elements" means common areas and facilities, including but not limited to all parts of the condominium property not included within the unit boundaries as described hereinafter, and shall include the utility spaces, the tangible personal property required for the maintenance and the operation of the condominium as well as the items stated in the Condominium Ownership Act of Alabama.

5. "Common expenses" include those as defined in said Act, together with the expenses for which Unit Owners are liable to the Association, actual or estimated.

6. "Utility services" shall include but not be limited to electrical power, water, gas, garbage and sewage disposal.

MSC 046 PAGE 0945

7. "Substantial destruction, deterioration or obsolescence" shall mean such destruction or deterioration or obsolescence that the condominium has lost its character as a residential development, and restoration thereof would be the practical equivalent of a newly constructed development.

8. "Development" comprehends the land, and all buildings, improvements and property which are a part of the condominium.

9. "Declaration" means this Declaration and all amendments thereto hereafter made.

V. DEVELOPMENT PLAN

1. Plans. The improvements will be constructed by the DEVELOPER substantially in accordance with the plans and specifications therefor prepared by a registered architect or licensed professional engineer which plans are identified as EXHIBIT "B", hereto attached and by reference made a part hereof, including a set of the floor plans of the buildings showing the layout, location, the designating numbers of each unit and bearing the verified statement of a registered architect or licensed professional engineer that such drawings are in sufficient detail to identify the common elements and the private elements comprising the units as built. The dimensions of each unit and the floor plans and elevations of the building in which the unit is located are shown on EXHIBIT "B".

2. Amendment. This Declaration of Condominium may be amended by the filing of such additional plans as may be

MISC 046
Page 0946

required to accurately describe the improvements of the condominium and in order to show completion of improvements. Such completion may be shown by a verified statement of a registered architect or licensed professional engineer certifying that the completed improvements have been constructed substantially as herein represented or, if not so constructed, then designating the changes made and certifying that the plans heretofore filed or being filed simultaneously with such certificate, fully and accurately depict the layout, location, unit numbers and dimensions of the units as built. Such plans or certificate, or both, when signed and acknowledged by such registered architect or licensed professional engineer, and by the DEVELOPER, shall constitute an amendment to this Declaration of Condominium without approval of the Association, unit owners, lessees or mortgagees of units of the condominium, whether or not elsewhere required for an amendment.

3. 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 building or as the building is 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 to use the pipes, ducts, cables, wires, conduits, public utility

MSC 046 pg. 0947

lines and other common elements serving such other units and located in such unit. The Association shall have a right of access to each unit to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common elements contained therein or elsewhere in the building.

4. Access. Each unit has a right of access to a public street or highway, upon and over common elements providing such access, all as shown on the site plan, EXHIBIT "B". The immediate common elements by which each unit has access to such public street or highway are the parking areas and driveways, all as shown on the site plan, EXHIBIT "B".

5. Improvements and Principal Material of which Constructed. The improvements constructed and to be constructed upon the land hereinbefore described will include and be limited to three (3) two-story buildings containing twenty-four (24) units. The condominium will also include access areas and parking areas located substantially as shown on the plans and drawings on EXHIBIT "B". The buildings are of frame construction with brick veneer and reverse board and batten.

6. Common Elements. Any right, title or interest in a condominium unit shall automatically carry with it as an appurtenance and without the necessity of specific reference thereto its respective undivided share of the condominium elements and a right to use the common elements in conjunction with the owners of the other condominium units. The common elements of the condominium will include the common areas and facilities located substantially as

MISC 046 PAGE 0948

shown on the site plan, EXHIBIT "B". Such common areas and facilities will include the following improvements:

A. All of the land listed and described on EXHIBIT "A";

B. All improvements and parts thereof which are not included with the respective condominium units;

C. Any utility areas and installations and all utility services which are available to more than one unit or to the common elements;

D. All parking areas (even though assigned to the exclusive use of a unit), driveways and other means of ingress and egress;

E. All electrical apparatus and wiring, plumbing pipes and apparatus and other ducts, conduits, cables, wire or pipe, within the common elements and up to the exterior surface of the unit wall, but excluding the air conditioning wiring and piping affixed to individual air conditioning units located outside of the confines of a unit;

F. All tangible personal property required for the maintenance and operation of the condominium and for the common use and enjoyment of the unit owners;

G. Recreation areas and facilities, including but not limited to the swimming pool;

MISC 046 PAGE 0949

H. All foundations, slabs, columns, beams and supports of the building and such component parts of exterior walls and walls separating units, roofs, floors and ceilings as are not described herein as private elements;

I. Lawn areas, landscaping, walkways, sidewalks, curbs and steps;

J. Exterior steps, ramps, handrails, stairs and stairwells;

K. All tanks, pumps, pump houses, wells, motors, fans, compressors and control equipment, fire fighting equipment, and garbage equipment, elevator and equipment, which are not reserved for the use of certain units;

L. All area outdoor and exterior lights not metered to individual units and supports and all entrance and related type signs;

M. The porches, balconies and steps affixed to each unit, even though assigned to the exclusive use of one unit;

N. All other parts of the condominium existing for the common use or necessity of the existence, maintenance and safety of the condominium;

O. All other items listed as such in the Condominium Ownership Act of Alabama and located on the property.

7. Exclusive and Semi-Exclusive Spaces and Areas. Although the foregoing are common elements, some of the same are hereby declared to be for the exclusive (or

semi-exclusive as the case may be) use of and in some cases as an appurtenance to the unit to which the same is assigned and designated, as follows:

Exclusive Porches, Balconies, and/or Deck and Storage Area. Each unit shall have the exclusive use of the porch, deck or balcony and the storage area attached to that portion of said unit. The porches, balcony and deck and the storage area, and the location thereof, are set forth on the typical unit shown on EXHIBIT "B".

8. Limited Common Elements. There are no limited common elements.

9. Unit Boundaries. Each unit shall include that part of the building containing the unit which lies within the boundaries of the unit, which boundaries shall be determined in the following manner:

A. Horizontal Boundaries. The upper and lower boundaries of each unit shall be:

(i) Upper Boundary. The plane of the under surfaces of the ceiling rafters.

(ii) Lower Boundary First Floor Units. The upper surface of the floor slab.

(iii) Lower Boundary Second Floor Units. The plane of the surfaces of the studs which are the component parts of the floor.

B. Vertical Boundaries. The vertical boundaries of the unit shall be:

(i) The plane of the inside surface of the walls.

MISC 046 Page 0951

10. Surfaces. An owner shall not be deemed to own the structural components of the perimeter wall and/or load-bearing walls, nor the windows and doors bounding the units. An owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain, paint, repaint, tile, wax, paper, or otherwise finish and decorate the surfacing materials on the interior of exterior walls and on interior walls separating a unit from other units, and the surfacing materials of the floors of his unit; all window screens; 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 and air conditioning, whether located in the boundaries of the unit or in common areas, which are for the exclusive use of the unit; and all ceilings and partition walls. 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.

VI. THE UNITS

The description and location of the particular units and the appurtenances thereto are determined with the aid of the plans therefor, attached hereto, and as follows:

1. Units Numbered. Each unit is assigned a number which is indicated on the site plan, EXHIBIT "B", hereto attached.

2. Changes. The DEVELOPER reserves the right to change the interior design and arrangement of all units owned by it. The DEVELOPER further reserves the right to

alter the boundaries between units, which said change shall be reflected by an amendment of this Declaration of Condominium, which may be executed by the DEVELOPER alone, notwithstanding the procedures for amendment described herein. However, no such change of boundaries shall increase the number of units, nor alter the boundaries of the common elements without amendment of this Declaration of Condominium in the manner described herein. If the boundaries of more than one (1) unit are altered, the DEVELOPER shall appropriately reapportion the shares of the common elements which are allocated to the altered units.

Units shall have two (2) bedrooms, one and one-half (1 1/2) bathrooms and have 873 square feet of space exclusive of the balcony and storage area, including a dining area, closets and kitchen. The kitchen is equipped with range, range vent-hood, dishwasher and refrigerator; the unit is equipped with a water heater and central heat and air conditioning.

VII. DETERMINATION OF PERCENTAGES OF
OWNERSHIP IN COMMON ELEMENTS,
COMMON EXPENSES AND COMMON SURPLUS

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, to determine the percentage of ownership in the common elements, percentage of common expenses, and percentage of common surplus and voting in all matters requiring action by the owners. The common expenses shall be charged to the unit owners according to the percentages of the undivided interest of the respective units in the common elements. The common surplus shall be a trust fund for the unit owners and shall be either distributed among the unit owners according to the respective percentages of the undivided interest of the respective units 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.

VIII. 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 buildings shall stand.

IX. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS

1. All present and future owners, tenants and occupants of units shall be subject to, and shall comply

MISC 046
PAGE 0954

with the provisions of this Declaration of Condominium, 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 this Declaration of Condominium, the By-Laws and the Rules and Regulations, as they 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 any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

2. Exclusive Ownership. Each owner shall be entitled to the 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 permanent character and shall not be altered without the consent of all owners 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 in the conveyance or other instrument. Each owner may use the common elements in accordance with the purposes for which the same are

MISC 046 PAGE 0955

intended, without hindering or encroaching upon the lawful rights of the other owners.

3. 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.

X. MAINTENANCE

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

1. 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 repair all incidental damage 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. Such shall be done without disturbing the rights of other unit owners.

MISC 046
Page 0957

(ii) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

(iii) To maintain, repair and replace all 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.

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

C. Alteration and Improvement.

Neither the 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 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.

MISC 046 PAK 0958

2. 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. Alteration and Improvement. After the completion of the improvements included in the common elements which are contemplated by this Declaration of Condominium, there shall be no alteration or further improvement of common elements without prior approval in writing of seventy-five percent (75%) of the votes of the unit owners, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens on the units so approved; provided, however, that any alteration or improvement of the common elements bearing the approval in writing of the 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 cost thereof.

MISC 046 PAGE 0059

XI. ASSESSMENTS

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

1. Share of Common Expenses. Each unit owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus, such share being the same as his percentage of ownership in the common elements.

2. Interest, Application of Payments. Assessments, and installments thereon, paid on or before fifteen (15) days after the date when due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest and other costs and expenses, at a rate set by the Board of Directors of the Association, but not to exceed the maximum legal rate, together with all expenses, including attorney's fees, incurred by the Association in any undertaking to collect such unpaid assessments and expenses. All payments upon account shall be first applied to such late charges, penalties, interest and other costs and expenses, including attorney's fees, and then to the assessment payment first due.

3. Liens for Assessments. The Association is hereby granted a lien upon each unit and its appurtenant undivided interest in common elements, and upon the goods, furniture and effects belonging to the unit owner and located in such unit, which lien shall secure and does

MISC 046
P. 0360

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 such late charges, penalties and interest, if any, which may be due on the amount of any delinquent assessment owing to the Association, and which lien shall also secure all costs and expenses, including 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 common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only (1) tax lien on the unit in favor of the state, the county, any municipality and any special district, and (2) 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 type of dwelling units in Lake Forest, Baldwin County, 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 a rate set by the Board of Directors of the Association but in no case to exceed the maximum legal rate on any such advances made for such purposes. All persons,

MSC 046 PAGE 0361

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. Where the holder of a first lien or other purchaser of a unit obtains title to the unit as a result of foreclosure of a first lien, such acquirer of title, his successors and assigns, shall not be liable for payment of the share of common expenses or other assessments by the Association pertaining to such unit or chargeable to the former unit owner which become due prior to the acquisition of title to such unit as a result of foreclosure. Such unpaid share of common expenses or other assessments shall be deemed to be common expenses collectible from all of the remaining unit owners, excluding such acquirer, his successors and assigns.

4. 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.

5. No Exemption From Assessments. No owner of a unit may exempt himself from liability for contribution toward the common expenses 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.

6. 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 so requesting the same in writing with a written statement of unpaid assessments due from the unit owner.

MSC 046 PAGE 0962

XII. ASSOCIATION

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

1. Name. The name of the Association shall be BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC.

2. Powers. The powers and duties of the Association shall include those set forth in the Condominium Ownership Act, and those set forth in this Declaration of Condominium and the By-Laws of the Association, attached to and made a part hereof, and shall have the power to purchase a unit of the condominium. The powers of the Association shall

MISC 046 Page 0363

include, but not be limited to, the maintenance, management and operation of the condominium property.

3. 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, the numerical value of which shall be the percentage assigned to the unit of which the member is the owner. The vote for a unit shall be cast by the Owner thereof or the owner of a possessory interest therein, or in the case of a corporate owner, by an officer or employee thereof. Owners of more than one (1) 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 right for that unit.

D. Designation of Voting Representative. In the event a unit is owned by

MSC 046-0364

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, partnership or limited partnership, the officer, employee or individual entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president or vice president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation) or by the general partners (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one (1) person or by a corporation, partnership or limited partnership, 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

MISC 046 Pgs. 0965

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 of Condominium.

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.

4. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than five (5) as shall, from time to time, be determined and fixed by vote of a majority of the voting rights present at any annual meeting of the members.

5. Indemnification. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is

MISC 046 Pgs. 0966

a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being 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.

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

7. By-Laws. By-Laws of the Association shall be in the form attached as EXHIBIT "D".

XIII. 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:

1. 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

MSC 046 PAGE 0967

set forth in the Declaration of Condominium, 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 the 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, that 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 personal liability, as he may desire.

2. Coverage.

A. Casualty. 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 more than the maximum insurable replacement value, 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

MISC 046 FILE 0968

cash settlement covering specified value in the event of destruction and a decision not to rebuild.

(i) Loss or Damage by

Fire and other hazards covered by a standard extended coverage endorsement, and

(ii) Flood Insurance. If the condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program, the Association shall obtain and pay the premiums upon, as a common expense, a master or blanket policy of flood insurance on all buildings and improvements upon the lands comprising the condominium property in an amount deemed appropriate by the Association, but not less than the following: The lesser of (A) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property within the condominium to the extent that such buildings and other insurable property are within an area having special flood

MISC 046 PAR. 0969

hazards; or (B) one hundred percent (100%) of current replacement cost of all such buildings and other insurable property within such area.

(iii) Such Other Risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

B. 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, 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 and/or bonds as it may deem necessary. The Board is authorized to provide coverage for payment of maintenance charges in 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

MISC 046 page 0970

least every five (5) years from the date hereof and the insurance program revised accordingly.

3. 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 setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any unit owner.

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

C. Provide that such policy may not be 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 or lessee of any unit; and

MISC 046
PAC 0971

E. Contain a standard mortgagee 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 of the 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.

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

5. Insurance Trustee; Shares of Proceeds.
All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their 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,

MISC 046 Pg. 0972

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 this 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.

C. Mortgages. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear.

6. 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

MISC 046 PAGE 0973

benefit of any mortgagee of a unit and may be enforced by him.

7. Association as Agent. The Association is hereby irrevocably appointed 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.

XIV. 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 first mortgages on units not to repair or reconstruct such damaged or destroyed property, the following provisions shall apply:

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

A. Common Areas and Facilities. If the damaged improvement is a common area or facility, the damaged property shall be reconstructed, replaced 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

MISC 046 FRI 0974

untenantable, the building shall 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.

2. Responsibility. If the damage is only to those parts of a unit 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 of reconstruction and repair after casualty shall be that of the Association.

3. 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.

4. 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

MISC 046
Page 0975

during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged 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 assessments against unit owners for reconstruction and/or repair of damages to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments for reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the owner's share in the common areas and facilities.

5. 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

MISC 046
PAGE 6976

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 hereafter provided for the reconstruction and repair of major damage.

(iii) Association -- Major Damage. If estimated costs of reconstruction and repair which is the responsibility of the Association is

MISC 046 FAC 0977

more 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 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 a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided.

XV. USE RESTRICTIONS

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

1. Single Family Residences. The condominium property shall be used only as a residence, and for the furnishing of services and facilities herein provided for

MISC 046
FAC. 0978

the enjoyment of such residence. Each of the units shall be occupied only by the resident and his family and their guests as a residence and for no other purpose.

2. 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.

3. 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.

4. Regulations. Reasonable 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 regulations or amendments thereto may express their approval or disapproval in writing. Copies of such regulations or amendments thereto shall be furnished by

MISC 046 PAGE 0979

the Association to all unit owners and residents of the condominium upon request.

5. Proviso. Provided, however, that until the DEVELOPER of the condominium has completed and sold all of the units of the condominium or until July 1, 1984, or until DEVELOPER elects to terminate its control of the condominium, whichever shall first occur, the rules adopted by the DEVELOPER shall govern, and there shall be no meeting of members of the Association, unless a meeting is called by the Board of Directors of the Association, 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. 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.

XVI. SALES AND OTHER TRANSFERS

1. No unit owner shall sell, assign, convey or otherwise transfer his unit or any interest therein unless, at least ten (10) days prior to any such sale, assignment, conveyance or transfer, he gives written notice to the Board of the name and address of each proposed purchaser, assignee or transferee. The purpose of this paragraph is to make certain that any proposed purchaser, assignee or transferee is made aware of the provisions of this Declaration, as well as any delinquent assessments, if any attributable to the

MISC 046-6980

applicable unit, prior to the consummation of any such purchase, assignment or transfer.

2. In the event of a resale of a unit by a unit owner other than the DEVELOPER, the unit owner shall furnish to a purchaser, before execution of any contract to purchase a unit, or otherwise before conveyance, a copy of the Declaration, other than plats and plans, a copy of the Articles of Incorporation creating the Association, the By-Laws and a certificate containing:

(A) A statement setting forth the amount of any current common assessments;

(B) A statement of any capital expenditures approved by the Association for the current and next two (2) succeeding fiscal years; "

(C) A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specific projects;

(D) The most recent balance sheet and income and expense statement of the Association, if any;

(E) The current operating budget of the Association, if any;

(F) A statement of any unsatisfied judgments against the Association and the status of any pending suits to which the Association is a party; and

(G) A statement describing any insurance coverage provided by the Association.

3. The Association, within ten (10) days after a request by a unit owner, shall furnish a certificate

MISC 046-PAID 0981

containing the information necessary to enable a unit owner to comply with this section. The unit owner providing a certificate pursuant to this section shall not be liable to the purchaser for any erroneous information provided by the Association and included in the certificate. Further, a unit owner is not liable to a purchaser for the failure or delay of the Association to provide the certificate in a timely manner; however, the contract of purchase shall be voidable by the purchaser, until a certificate has been provided and for five (5) days thereafter, or until conveyance, whichever first occurs.

XVII. COMPLIANCE AND DEFAULT

Each unit owner shall be governed by and shall comply with the terms of the condominium documents and regulations as 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 Alabama Condominium Ownership Act:

1. 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.

MISC 046-PAC-0982

2. 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.

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

XVIII. 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 property has been removed from the provisions of the Alabama Condominium Ownership Act, as in said Act provided.

XIX. AMENDMENT

This Declaration of Condominium and the By-Laws of BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., may be amended in the following manner:

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

MSC 046 PAF 0983

2. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by ten percent (10%) of the members of the Association, 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, providing such approval or disapproval is delivered to the Secretary at or prior to the meeting. Such approvals must be by not less than a majority of the Directors and by not less than seventy-five percent (75%) of the votes of the Association; and provided, further, that any such amendment shall have been approved in writing by seventy-five percent (75%) of all of the mortgagees who are the holders of mortgages comprising first liens on units comprising seventy-five percent (75%) of the votes of the Association.

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

4. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all 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.

5. 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.

6. Provisions Pertaining to the DEVELOPER.

A. Notwithstanding any other provisions herein contained, for so long as the DEVELOPER continues to own any of the units, the DEVELOPER reserves the unrestricted right to sell, assign or lease any unit which it continues to own after the recording or filing of this Declaration of Condominium, and to post signs on the condominium property.

B. Provided, however, that until the DEVELOPER of the condominium has completed and sold all of the units of the condominium, or until July 1, 1984, or until DEVELOPER elects to terminate its control of the condominium, whichever shall first occur, the following additional provisions shall be deemed to be in full force and effect:

(i) The DEVELOPER reserves the right to amend the By-Laws of the Association.

(ii) The Directors of the Association shall be designated by the DEVELOPER and such Directors as may be so designated need not be unit owners.

MISC 046 Page 0985

In view of DEVELOPER'S financial commitment to this condominium, DEVELOPER'S obligation, as the initial owner of a substantial number of units, to share in the common expenses as such unit owner, and DEVELOPER's need to insure the success of the project, DEVELOPER hereby reserves unto itself, its successors and assigns, the right to manage all of the affairs of the condominium and all decisions of the Association.

C. None of the provisions in this subparagraph contained shall be construed so as to relieve the DEVELOPER from any obligations of a unit owner to pay assessments as to each unit owned by them, in accordance with the condominium documents.

XX. PROPORTIONATE CHANGES IN COMMON EXPENSES AND COMMON SURPLUS

In the event any one (1) 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 reduced, or in the event the Association becomes the owner of a unit as heretofore provided, then the proportionate share of the common expenses and of the common surplus 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.

MISC 046
PART 0986

XXI. MORTGAGES

1. Notice to Mortgagees of Default by Unit Owner. In the event of any default in the performance by a unit owner of any of his duties or obligations under this Declaration, the By-Laws or the Rules and Regulations of the Association, the Association shall, if such default is not cured within sixty (60) days, upon request by the holder of a mortgage constituting a first lien on the unit of such defaulting owner, give written notice of such default to such mortgage holder; provided, however, that if the default is a failure to pay any charges or assessments to the Association, such notice shall be given if such default is not cured within fifteen (15) days; and provided further, however, that the Association shall have no obligation to give any notices to, or to take any other actions required by this Declaration with respect to any mortgages, other than those from whom the Association has received a copy of the mortgage or written notice which sets out the unit number of the mortgaged unit, the name of the mortgagor, the name and address of the mortgagee, and the date of the mortgage. The Secretary of the Association shall keep a list of mortgagees which shall contain the information set out above.

2. Inspection of Association's Books and Records. Any holder of a mortgage constituting a first lien on a unit shall, upon reasonable notice delivered to the Association at reasonable time or times, be entitled to examine the books and records of the Association.

MISC 046-0987

3. General Protection of Mortgage Holders.

Unless at least seventy-five percent (75%) of all of the first mortgage liens on any unit or units (based upon one (1) vote for each first mortgage so held) have given their prior written approval, the Association shall not be entitled to:

(A) By act or omission seek to abandon or terminate the condominium regime;

(B) Change the pro rata interest or obligations of any individual unit for:

(i) The purpose of levying assessments or changing or allocating distributions of hazard insurance, proceeds or condemnation awards, or

(ii) Determining the pro rata share of ownership of each unit in the common elements, except to the extent necessary to allow the addition of new phases in accordance with the Declaration;

(C) Partition or subdivide any condominium unit;

(D) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause;

MISC 046 PM 0988

(E) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

XXII. BLANKET MORTGAGES

The entire property of the condominium, or some or all of the units 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. Any unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. Any such mortgage shall provide a method whereby any unit owner may obtain a release of his unit from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the reasonable proportionate share attributable to his unit of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid. The proportionate share of the mortgage required to be paid for release shall be determined by provisions pertaining thereto stated in the mortgage, or, if the mortgage contains no such provisions, then according to the proportionate share of the common elements of the condominium attributable to such unit or units.

MSC 046 PAR 0989

XXIII. TERMINATION

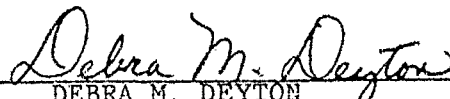
The condominium may be terminated in the manner provided by the Alabama Condominium Ownership Act, provided, however, that in the event of termination, each unit shall be subject to the payment of a share of the common expenses as heretofore defined, subject to increase as provided herein.

XXIV. SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, 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, we have executed these presents on this the 15th day of September, 1983.


DANIEL L. DEYTON

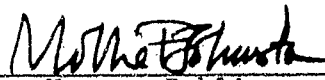

DEBRA M. DEYTON

MSC 046
PAC. 0390

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public, in and for said County in said State, hereby certify that DANIEL L. DEYTON and DEBRA M. DEYTON, husband and wife, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal, this the 15th day of September, 1983.



Notary Public

This Instrument Prepared By:
Richard C. Lacey
Attorney at Law
P.O. Drawer A-J
78 South Section Street
Fairhope, Alabama 36532

MISC 046
PAGE 0391

EXHIBIT "A"

BAY FOREST PHASE II

DESCRIPTION:

From the southwest corner of Lot 1, Unit Two, Lake Forest, as recorded in Map Book 5, Page 55 of the Baldwin County, Alabama, Probate Records, run thence N89-55-26E along the south boundary of said Unit Two, 361.09 feet to the Point of Beginning; thence continue N89-55-26E, 327.37 feet; thence run S00-28W, 53.29 feet; thence run N59-22-17E, 31.41 feet to the West right-of-way of Lake Forest Blvd.; thence run S30-37-43 E along said West right-of-way, 30 feet; thence run S59-22-17 W, 49-51 feet; thence run S00-28W, 68.16 feet; N89-38-27 W, 326.10 feet; thence run North, 154.01 feet to the Point of Beginning, said property being situated in Section 6, T5S, R2E; Baldwin County, Ala.

MS046
PAC
0992

FOR EXHIBIT "B" SEE
APARTMENT BOOK 6
PAGES 261-262

MISC 046
FBI
0993

EXHIBIT C

SCHEDULE OF UNDIVIDED INTERESTS

<u>UNIT NO.</u>	<u>PER CENT</u>
117-E	4.172
118-E	4.166
119-E	4.166
120-E	4.166
217-E	4.166
218-E	4.166
219-E	4.166
220-E	4.166
121-F	4.166
122-F	4.166
123-F	4.166
124-F	4.166
221-F	4.166
222-F	4.166
223-F	4.166
224-F	4.166
125-G	4.166
126-G	4.166
127-G	4.166
128-G	4.166
225-G	4.166
226-G	4.166
227-G	4.166
228-G	4.166
	100.00%

MISC 046 PAGE 0004

BY-LAWS
OF
BAY FOREST PHASE II CONDOMINIUM
OWNERS ASSOCIATION, INC.

I
IDENTITY

These are the By-Laws of BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., an association organized pursuant to the Alabama Condominium Ownership Act, Code of Alabama 1975, Section 35-8-1, et seq., for the purpose of administering BAY FOREST PHASE II, a condominium located in Lake Forest, Baldwin County, Alabama.

1. The office of the Association shall be such as is from time to time fixed by the Board of Directors of the Association.

2. The fiscal year of the Association shall be such as is from time to time fixed by the Board of Directors of the Association.

II
MEETINGS OF MEMBERS

1. The annual meeting of members shall be held at the office of the Association at 7:30 p.m., local time on the second Tuesday of January of each year for the purpose of electing Directors and 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. 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 notice of such 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.

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

4. Notice of all meetings of members stating the time and place and the objects for which the 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.

5. 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 the owner, as stated in the Declaration of Condominium.

6. A quorum at meetings of members 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.

7. Proxies. Votes may be cast in person or by proxy.

MISC 046 P. 0996

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.

8. 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 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.

9. Adjourned meetings. Any meeting of the Association may be adjourned from time to time to such date and time as may be determined by 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.

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

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

11. Proviso. Provided, however, that until the DEVELOPER of the condominium has completed and sold all of the units of the condominium, or until July 1, 1983, or until DEVELOPER elects to terminate its control of 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.

III
BOARD OF DIRECTORS

1. Membership. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than five (5) as shall from time to time be determined and fixed by vote of a majority of the voting rights present at any annual meeting of the members. Each Director shall be a person entitled to cast a vote in the Association, except as provided by subparagraph 2(D) below.

2. 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

MISC 046 P.M. 0398

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 July 1, 1984, or until DEVELOPER elects to terminate its control of 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, and the rules adopted by the DEVELOPER shall govern.

3. The term of each Director's service 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.

4. The organizational 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 the organizational meeting shall be necessary provided a quorum shall be present.

5. 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.

6. 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.

MISC 046-0999

MISC 046-1000

7. 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.

8. 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 votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or by these By-Laws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting 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.

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

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

IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

1. 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.

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

3. To provide or cause to be provided all goods and services required by the By-Laws or by law, or which the board in 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. 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.

5. To maintain a class action and to settle a cause of action on behalf of owners with reference to the common elements, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building as distinguished from 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 unit, all as the Board deems advisable.

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

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

8. 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 owners in a duly constituted meeting.

9. To designate and remove personnel necessary for the maintenance, repair and replacement of the common elements.

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

11. 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.

V

OFFICERS

1. The executive officers of the Association shall be a President, who shall be a Director; a Vice President, who shall be a Director; and a Secretary-Treasurer, 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 the 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.

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

3. 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.

4. 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. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences 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 expenses of the common areas 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 week days.

VI

FISCAL MANAGEMENT

1. Budget. The Board of Directors shall adopt a budget for each calendar year which shall include estimated common expenses, including a reasonable allowance for contingencies and reserves less the unneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1st, preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned.

2. Assessments for recurring expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance, on or before December 20, preceding the year for which the assessments are made. The Board may include a Maintenance Fund Reserve for contingencies in such assessments, and such assessments 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 Condominium Ownership

MSC 046-1004

REC-046 MAR 1005

Act, any part of the said fund remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in their respective proportionate shares. Such assessments shall be due in monthly installments on the 1st day of each month 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 ten percent (110%) 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, 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.

3. Acceleration of assessment installments upon default.

If a unit owner shall be in default in the payment 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 after 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. Upon default in the payment of an installment upon any assessment, the Board of Directors of the Association shall be entitled to

charge interest and service charges at the highest available rate allowable under the law of the State of Alabama.

4. 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 of the Association may require.

5. Default. In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required moneys in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior notice of the intention to foreclose shall be mailed, postage prepaid, to the unit owner and to all persons having a mortgage lien or other interest of record 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-in 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 any mortgage liens of record encumbering such unit at the time of the 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 same. In any action either to foreclose its lien or to recover

MSC 046 REV. 1006

a money judgment, brought by or on behalf of the Association against a unit owner, the losing defendants shall pay the cost thereof together with a reasonable attorney's fee.

If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit and properties 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 and expenses necessary for the repairing and refurbishing of the family 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. 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 checks signed by such persons as are authorized by the Directors.

7. 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.

8. Fidelity bonds shall be required by the Board of Directors from all officers and employees of the Association and from any manager handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for recurring expenses.

The premiums on such bonds shall be paid by the Association.

VII

OBLIGATIONS OF THE OWNERS

1. 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.

2. Maintenance and Repair.

A. Every owner must perform promptly all maintenance and repair work within his own 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 engender.

B. All of the repairs of internal or appurtenant installations of the unit as water, light, 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.

3. Use of units. All units shall be utilized in accordance with the provisions of the By-Laws, Declaration of Condominium and House Rules.

4. House Rules. In order to assure the peaceful and orderly use and enjoyment of the building and common elements of said condominium, the Board of Directors may from time to time adopt, modify and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common elements constitutes

Misc 046-1008

eighty percent (80%), at any meeting duly called for the purpose, such reasonable rules and regulations, to be called House Rules, governing the conduct of persons on the condominium as it may deem necessary. Such house rules upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of the building.

5. Foreclosure of lien. In any suit to foreclose the lien against any owner of a unit, the Association may represent itself in like manner as any mortgagee of real property. The Association acting on behalf of the unit owners shall have the power to bid and acquire such unit at a foreclosure sale. The delinquent owner shall be required to pay to the Association a reasonable rent for subject unit until sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

6. 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 is present at the time. Every unit owner and occupant, when so required, shall permit other unit owners or their representative to enter his unit at reasonable times for the 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. 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

MSC046-1069

of his unit or other evidence of his 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.

8. Mortgages. 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.

VIII

PARLIAMENTARY RULES

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

IX

AMENDMENTS

These By-Laws may be amended by following the provisions of paragraph XIX of the Declaration of Condominium.

X

REGISTERED OFFICE AND AGENT

The address of the initial registered office of BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., is Baldwin County Highway 11, Daphne, Alabama, 36526, and the name of its initial registered agent is DANIEL L. DEYTON.

The foregoing were adopted as the By-Laws of BAY FOREST
PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., at the first
meeting of the Board of Directors on the 15 day of
September, 1988.

Debra M. Dayton
Secretary

Approved:

Daniel L. Dayton
President

This Instrument Prepared By:

Richard C. Lacey
Attorney-at-Law
Post Office Drawer A-J
78 South Section Street
Fairhope, Alabama 36532

MSC046
FAC
1011

SEP 15 1983

12⁰⁴P
W

ARTICLES OF INCORPORATION
OF

and that no tax was collected. Recorded by:
Book 46 mi Judge of Probate
Page 1012-16
APL Index \$ 08

BAY FOREST PHASE II

CONDOMINIUM OWNERS ASSOCIATION, INC.

We, the undersigned natural persons acting as
incorporators of a corporation under the Alabama Non-Profit
Corporation Act (§10-3-1, 1975 Code of Alabama), and the
Condominium Ownership Act (§35-8-1, 1975 Code of Alabama),
adopt the following Articles of Incorporation for such
corporation.

I.

NAME

The name of the corporation shall be "BAY FOREST
PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC.", Baldwin
County Highway 11, Daphne, Alabama, 36526.

II.

PERIOD OF DURATION

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

III.

PURPOSES 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,

MSC 046-1012

preservation and architectural control of the apartment units and the common areas and facilities within that certain condominium known as BAY FOREST PHASE II, and to promote the health, safety and welfare of the residents within said condominium, and for these purposes to:

1. Exercise all of the powers and privileges and perform all of the duties and obligations of an association of unit owners as provided in the Condominium Ownership Act of Alabama, and as set forth in that certain Declaration applicable to the property and recorded or to be recorded in the office of the Judge of Probate of Baldwin County, Alabama, and as the same may be amended from time to time as therein provided, said Declaration 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 or assessments pursuant to the terms of the Declaration; pay all expenses in connection therewith and all office or other expenses incident to the conduct of the business of the association.

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

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

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

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

REC-046-1013

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 apartment 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 may now or hereafter have or exercise.

IV.

MEMBERSHIP

This corporation shall issue no shares of stock of any kind or nature whatsoever. Every person or entity who is a record owner of a fee or undivided fee interest in any apartment unit in BAY FOREST PHASE II shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the 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 Condominium of BAY FOREST PHASE II and in the By-Laws of the corporation.

REC-040-1014

V.

REGISTERED AGENT

The address of the initial registered office of the corporation is BAY FOREST PHASE II, Baldwin County Highway 11, Daphne, Alabama, 36526, and the name of its initial registered agent at such address is Daniel L. Deyton.

VI.

BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the corporation is two (2) and the names and addresses of the persons who are to serve as the initial Directors are:

Daniel L. Deyton, Route 2, Box 83 PJ, Daphne,
Alabama 36526.

Debra M. Deyton, Rte. 2, Box 83 PJ, Daphne,
Alabama 36526.

VII.

INCORPORATORS

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

Daniel L. Deyton, Route 2, Box 83 PJ, Daphne,
Alabama 36526.

Debra M. Deyton, Rte. 2, Box 83 PJ, Daphne,
Alabama 36526.

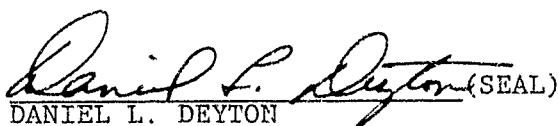
VIII.

DISSOLUTION

The corporation is not organized for pecuniary profit and no part of its net earnings shall inure to the benefit of any member, Director or individual. The corporation shall be dissolved upon the termination of the condominium in the manner provided in the Condominium Ownership Act of Alabama, and in the manner provided by the law of Alabama.

Upon dissolution of the corporation, the assets of the corporation, if any, and all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided by the Condominium Ownership Act of Alabama.

IN WITNESS WHEREOF, the subscribers hereto have hereunto set their hands and seals this the 15th day of September, 1983.

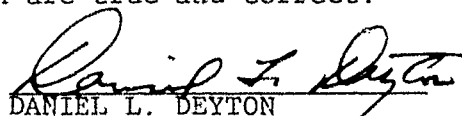
 (SEAL)
DANIEL L. DEYTON

 (SEAL)
DEBRA M. DEYTON

STATE OF ALABAMA :

COUNTY OF BALDWIN :

Before me, the undersigned Notary Public in and for said County in said State, personally appeared DANIEL L. DEYTON, being known to me, and who, being by me first duly sworn, deposes and says that he is one of the initial incorporators of BAY FOREST PHASE II CONDOMINIUM OWNERS ASSOCIATION, INC., that he is authorized to make this verification on behalf of the initial subscribers of the corporation, and that the facts contained in the above and foregoing Articles of Incorporation are true and correct.


DANIEL L. DEYTON

Subscribed and sworn to
before me this 15th day of
September, 1983.

Notary Public

This Instrument Prepared
by: Richard C. Lacey
P. O. Drawer A-J
Fairhope, Alabama 36532

MISC 046-1016

STATE OF ALABAMA
COUNTY OF BALDWIN

FIRST SUPPLEMENTAL DECLARATION (AMENDMENT)
TO DECLARATION OF CONDOMINIUM OF
BAY FOREST PHASE II

THIS INSTRUMENT executed on this the 30th day of September, 1983, by DANIEL L. DUNTON and DEBRA M. DUNTON, husband and wife, (hereinafter referred to as "Developer") for themselves, their heirs, successors, personal representatives, grantees, and assigns.

P R E C I M A L S

WHEREAS, by Declaration dated the 15th day of September, 1983, and recorded in Miscellaneous Book 46, Pages 0043, et seq., of the Baldwin County Probate Records, Developer submitted certain property to the condominium form of ownership pursuant to the authority of the "Alabama Condominium Act" (Sections 35-8-1 et seq., Code of Alabama, 1975); and

WHEREAS, pursuant to the aforesaid Declaration and by other references thereto contained therein, Developer retained and reserved a right to amend the aforesaid Declaration under the authority of the Declaration of Condominium of Bay Forest Phase II; and

WHEREAS, Exhibit "A" of the aforesaid Declaration contained a description that was in error, and Exhibit "B" of aforesaid Declaration did not contain adequate dimensions and bearings to properly identify certain common areas and a swimming pool area, and

WHEREAS, Developer desires to amend the aforesaid Declaration so as to submit the hereinafter described property as shown on Exhibit "A" attached hereto and made a part hereof as though fully incorporated herein, and to amend the aforesaid Declaration so as to properly identify certain common elements and swimming pool area as shown on Exhibit "B" attached hereto and made a part hereof.

MISC 046 PAGE 1517

W I T N E S S E T H:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that pursuant to the "Alabama Condominium Act" (Sections 35-3-1, et seq., Code of Alabama, 1975) and the authority reserved and contained under the Declaration of Condominium of Bay Forest Phase II as same appears of record in Miscellaneous Book 046, Pages 0043 et seq. of the Baldwin County, Alabama Probate Court Records, Developer does hereby amend and modify the aforesaid Declaration of Condominium of Bay Forest Phase II as follows:

1. Paragraph 3 and Exhibit "A" of the Declaration are hereby amended so as to substitute the following parcel of property and improvements to be located thereon, the same being located in Baldwin County, State of Alabama, to-wit:

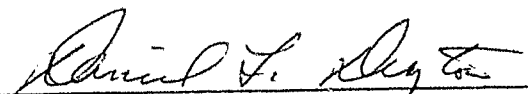
From the Southwest corner of Lot 1, Unit Two, Lake Forest as recorded in Map Book 5, Page 55 of the Baldwin County, Alabama Probate Records, run thence N89-55-26E along the South Boundary of said Unit Two, 361.09 feet to the Point of Beginning; thence continue N89-55-26E, 327.37 feet; thence run S89-22-12E, 4.55 feet; thence run S30-37-43E along the West right-of-way of Lake Forest Blvd., 65.09 feet; thence run S45-23-06W, 54.02 feet; thence run S00-26-56W, 62.49 feet; thence run N89-38-27 W along the North right-of-way of Grant Street, 325.34 feet; thence run North, 154.01 feet to the Point of Beginning, said property being situated in Section 6, Township 5 South, Range 2 East.

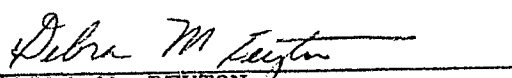
The same being described and shown as Exhibit "A" which is incorporated herein by reference.

2. In lieu of and in substitution of Exhibit "B" as the same presently appears of record in Apartment Book 6, Page 261-62 of the Baldwin County, Alabama Probate Records, new said Exhibit "B" is incorporated herein by reference.

3. The Declaration of Bay Forest Phase II shall remain in full force and effect as herein modified and amended and the same is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed on their behalf by DANIEL L. DEYTON and DEBRA M. DEYTON on the day and year first set forth above.


DANIEL L. DEYTON

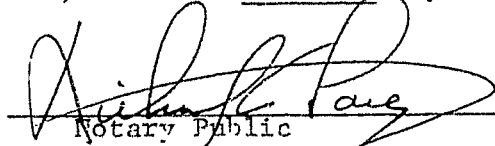

DEBRA M. DEYTON

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that DANIEL L. DEXTON and DEBRA M. DEXTON, husband and wife, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal, this the 30 day of

September, 1983.


Notary Public

This Instrument Prepared By:
Richard C. Lacey
Attorney at Law
P.O. Drawer A-J
Fairhope, AL 36532

MSC046-1519

EXHIBIT "A"

BAY FOREST PHASE II

DESCRIPTION:

From the Southwest corner of Lot 1, Unit Two, Lake Forest as recorded in Map Book 5, Page 55 of the Baldwin County Alabama Probate Records, run thence N89-55-26 E along the South Boundary of said Unit Two, 361.09 feet to the Point of Beginning; thence continue N89-55-26E, 327.37 feet; thence run S89-22-12E, 4.55 feet; thence run S30-37-43E along the West right-of-way of Lake Forest Blvd., 65.09 feet; thence run S45-23-06W, 54.02 feet; thence run S00-26-56 W, 62.49 feet; thence run N89-38-27W along the North right-of-way of Grant Street, 325.34 feet; thence run North, 154.01 feet to the Point of Beginning, said property being situated in Section 6, Township 5 South, Range 2 East, Baldwin County, Alabama.

REC-046-1520

EXHIBIT "B"

FOR EXHIBIT "B" SEE APARTMENT BOOK 6 PAGE 275

REC-046-1521

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on:

OCT - 5 1983

1:30 P

and that no tax was collected. Recorded in: *Misc*
Book 46
Page 1517 *Harry D. Line*
DP/108 Judge of Probate
Index \$ _____ By *DP*

STATE OF ALABAMA)
COUNTY OF BALDWIN)

STATE OF ALABAMA

BALDWIN COUNTY

I certify that this instrument was filed on

JUN 19 1986

SA M

VERIFIED STATEMENT OF AMENDMENT OF BY-LAWS
OF

BAY FOREST CONDOMINIUM OWNERS ASSOCIATION

and that no tax was collected. Recorded in
Book 57
Page 152-53
J.P. \$1.00 Index \$ By

BAY FOREST CONDOMINIUM OWNERS ASSOCIATION, INC., An Alabama not-for-profit corporation, files this statement in writing verified by the oath of Debbie Madison, its Treasurer, who, acting for said corporation and in accord with both the vote of the membership of the Association and of the mortgagees of the said condominiums as required by its By-laws, does hereby state under oath that she has personal knowledge and states with respect to such knowledge that upon a vote of the membership of the Association and upon the approval of such by 100% of the mortgagees holding mortgages on the said condominiums, the following Amendment to the By-laws of the Bay Forest Condominium Owners Association has been adopted by the Bay Forest Condominium Owners Association, Inc. and shall be effective according to its terms, which are as follows:

" BE IT RESOLVED that paragraph 7 of Article VI (Fiscal Management) of the By-laws of the Bay Forest Condominium Owners Association, Inc. be AMENDED to read as follows:

The Treasurer of the Association shall prepare a statement of the financial condition of the Association at the end of the fiscal year of the Association. The Statement of Financial Condition shall include a statement of all receipts of the Association for the fiscal year and the source of each receipt; a statement of all disbursements of the Association for the fiscal year reflecting the payee of each disbursement and the purpose of each disbursement. The Financial Statement shall in addition reflect the current balance of funds on hand at the time of the Statement. The Financial Statement required by this paragraph shall be provided to each member for review and shall be presented for approval at the next regularly scheduled meeting of the Association.

Upon the submission of the Statement of Financial Condition to the members of the Association and the Board of Directors, then a majority of the Board of Directors and/or ten percent (10%) of the members may

request an audit of the transactions of the Association. Upon a request for an audit being made, a special meeting of the Association shall be called and upon approval by a majority vote of the members of the Association, the President shall appoint a certified public accountant, who is not a member of the Association, to conduct the audit. Following any audit, a copy of the auditor's report shall be furnished to each member of the Association not later than April 1st of the year following the year for which the report is made."

BAY FOREST CONDOMINIUM OWNERS ASSOCIATION, INC.

Debbie H. Madison

BY: DEBBIE MAIDSON, Its Treasurer

STATE OF ALABAMA)
COUNTY OF BALDWIN)

Before me, Anthony J. Prostinak, Jr., the undersigned Notary Public, for the State of Alabama at large, personally appeared before me, Debbie Madison, as Treasurer of the Bay Forest Condominium Owners Association, Inc., who, upon being duly sworn, did depose and state that she has personal knowledge that the foregoing is a true and correct statement of the Amendment to By-laws of the Bay Forest Condominium Owners Association, Inc. as the same was passed by a vote of the members of the Association and as the same was granted approval by the mortgagees holding mortgages on the said condominiums, that the foregoing is true and correct to the best of her knowledge, information and belief, and that she executes the foregoing for and as the act of the Bay Forest Condominium Owners Association, Inc.

Debbie H. Madison

DEBBIE MAIDSON, Affiant

Sworn and subscribed to before me this the 23rd day of May, 1986.

Anthony J. Prostinak, Jr.

ANTHONY J. PROSTINAK, JR.
Notary Public



THIS INSTRUMENT PREPARED BY:

PAUL AND SMITH, ATTORNEYS AT LAW
401 Church Street
Mobile, Alabama 36602
433-0588

STATE OF ALABAMA

BALDWIN COUNTY

THIS CONTRACT AND AGREEMENT, made and entered into, in duplicate, on this 4th day of December, 1981, by and between JAMES LAMBETH, unmarried and survivor of Ruth M. Lambeth, deceased, hereinafter referred to as the "Seller", and LEONARD A. KAISER and OSCAR A. FARIAS, JR., hereinafter referred to as the "Purchasers", WITNESSETH:

That for and in consideration of the sum of One Thousand Dollars (\$1,000.00) this day cash in hand paid by the Purchasers to the Seller, receipt whereof is hereby acknowledged, and of the further sums to be paid as hereinafter set out, Seller hereby agrees to sell to the Purchasers, and the Purchasers hereby agree to purchase from the Seller, the following described real estate situated in Baldwin County, Alabama, under the terms and conditions as hereinafter provided, viz:

Beginning at the Southeast corner of Block 5, Unit 3, Gulf Shores, as shown on the map thereof of record in the office of the Judge of Probate of Baldwin County, Alabama, in Map Book 3, page 9, run North 110 feet along the West boundary line of Alabama Highway No. 3 to a point; thence run West 150 feet to a point; thence run North 100 feet to a point; thence run East 150 feet to a point on the West right of way line of Alabama Highway No. 3; thence South 100 feet to the point and place of beginning. *ALSO known as Kaiser Real Estate and Lambeth Residence.*

SUBJECT TO any prior reservation of oil, gas and other minerals, and SUBJECT TO the Seller herein reserving one-half of the existing oil, gas and minerals which the Seller presently owns.

SUBJECT ALSO TO the above description being amended by a more detailed description provided by a registered surveyor to be employed at the expense of the Purchasers.

SUBJECT ALSO TO the Seller reserving a 10 foot easement along the North 10 feet of the above described tract for the purpose of providing ingress and egress to other real estate owned by the Seller from Alabama Highway No. 3. Said easement shall be perpetual, assignable and transferrable by the Seller *but not exclusive use by the Seller.* Together with, all and singular, the rights, benefits, privileges, improvements, hereditaments, tenements, and appurtenances unto the same belonging or in any wise appertaining.

1. The total purchase price of the above described real estate is One Hundred Thirty Thousand Dollars (\$130,000.00) and is due and payable as follows: One Thousand Dollars (\$1,000.00) is acknowledged as received in hand; the further sum of Nineteen Thousand Dollars (\$19,000.00) is due and payable on the 15th day of January, 1982. One Hundred Thousand Dollars (\$100,000.00) of the remaining One Hundred Ten Thousand Dollars (\$110,000.00) shall be due and payable in monthly installments as amortized monthly over a 15 year period, including interest at the rate of twelve per cent (12%) per annum, and Ten Thousand Dollars (\$10,000.00) of the remaining One Hundred Ten Thousand Dollars (\$110,000.00) purchase price shall be due and payable on July 15, 1982, plus interest on the principal sum of Ten Thousand Dollars (\$10,000.00) at the rate of twelve per cent (12%) per annum. All payments shall be due and payable at Baldwin County Savings & Loan Assoc. Gulf Shores, Ala. The Purchasers shall have a right of prepayment with interest chargeable only to date of payment, and without penalty.

2. The closing of this transaction shall be on the 15th day of January, 1982, at which time the Purchasers shall pay Nineteen Thousand Dollars (\$19,000.00) in cash, the Seller shall execute and deliver a warranty deed conveying fee simple and merchantable title as evidenced by a commitment for title insurance in the amount of One Hundred Thirty Thousand Dollars (\$130,000.00). The Purchasers shall have the right to instruct the Seller to transfer title to the Purchasers as tenants in common or to the Purchasers and their spouses with an undivided one-half interest conveyed to each couple with right of survivorship to the respective spouse, or in any other manner so long as the Purchasers herein are included as grantees. The Purchasers shall execute and deliver a purchase money mortgage on the above described real estate in favor of the Seller and a promissory

note which shall provide for the payment of the purchase price as set in paragraph 1 above. The purchase money mortgage shall provide that the Purchasers take out and maintain fire and extended insurance in a reputable insurance company in the amount of the maximum insurable value of the real estate, or the unpaid balance of the purchase price, whichever is the lesser, naming the Seller as a mortgagee insured as his interest may appear. A copy of the fire and extended coverage insurance policy shall be provided to the Seller as soon as possible after closing. The purchase money mortgage shall also contain a clause providing that in the event the Purchasers should sell the subject property, the entire unpaid principal balance of the purchase price and accrued interest thereon shall be due and payable.

3. This transaction is subject to any approval from the Gulf Shores Planning Commission or the Town of Gulf Shores, in the event this transaction is considered to be a subdivision of land, requiring the Planning Commission's approval.

4. The Purchasers shall take possession of the above described real estate on the day of closing and, since the Purchasers are presently leasing the subject property from the Seller, the Seller agrees that the Purchasers will not be charged any rental from January 1, 1982, until January 15, 1982.

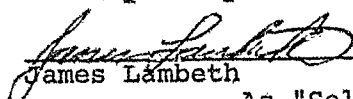
5. In the event the Seller should ever desire to sell the remaining real estate which adjoins the subject real estate and lying west of the subject property, the Seller agrees to give the Purchasers the first right of refusal to purchase that land, in the event the Purchasers still own the land that is the subject of this transaction. The Seller reserves the right to set the price of his property, but agrees that the Purchasers will have the right to purchase the remaining land, if he desires to sell and the Purchasers still own the subject property.

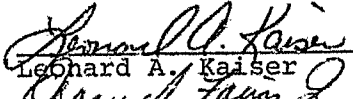
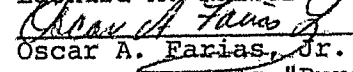
6. The advalorem taxes shall be prorated at the time of closing. Any municipal assessments which may be applicable to the subject property subsequent to this contract shall be the sole expense of the Purchasers.

7. Purchasers cannot assign their interest in the ~~subject real estate as evidenced by this contract and agreement~~ ^{this contract} without first obtaining the written consent of the Seller, ~~except to a partnership composed of the Purchasers or other entity composed of Purchasers upon condition that~~ ^{except to a partnership composed of the Purchasers} ~~or other Purchasers remain personally responsible.~~ ^{or other Purchasers remain personally responsible.} JAL

8. The Purchasers acknowledge that to obtain the approval of this transaction by the Town of Gulf Shores Planning Commission, it may be necessary to publish certain legal notices in the newspaper and to comply with other criterion required by the Town of Gulf Shores Planning Commission. The Purchasers and the Seller agree to cooperate with the Planning Commission and to do whatever is reasonably required to obtain the approval of the Planning Commission. In the event the approval of the Planning Commission is granted and the Purchasers should fail to pay the remaining balance of the down payment of Nineteen Thousand Dollars (\$19,000.00) on January 15, 1982, the One Thousand Dollars (\$1,000.00) earnest money shall be forfeited and retained by the Seller as liquidated damages, and the Seller reserves the right to file suit for specific performance of this contract and/or damages, in the event of the Purchasers' failure to perform this contract. In the event the Seller does not execute and deliver a warranty deed and provide a commitment for title insurance evidencing fee simple and merchantable title, the Purchasers shall have the right to demand a refund of the One Thousand Dollars (\$1,000.00) earnest money and file suit for specific performance of this contract.

WITNESS the hands and seals of the parties hereto on this the day and year first above written.

 (SEAL)
James Lambeth
As "Seller"

 (SEAL)
Leonard A. Kaiser
 (SEAL)
Oscar A. Farias, Jr.,
As "Purchasers"

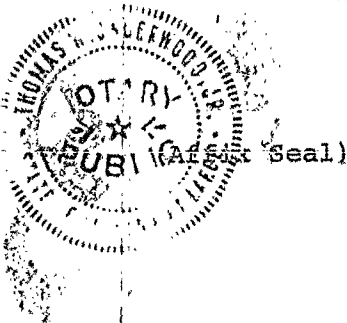
C & U

STATE OF ALABAMA

COUNTY OF BALDWIN

I, Thomas W. Underwood, Jr., a Notary Public in and for said County in said State, hereby certify that JAMES LAMBETH, unmarried and survivor of Ruth M. Lambeth, deceased, and LEONARD A. KAISER and OSCAR A. FARIAS, 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 the said instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and Notarial Seal hereto affixed by me on this 4th day of December, 1981.



Thomas W. Underwood, Jr.
Notary Public, Baldwin County
State of Alabama

This instrument prepared by
Thomas W. Underwood, Jr.
Chason & Underwood
Attorneys at Law
Post Office Drawer 458
Foley, Alabama 36536

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

SEP 17 1982 8A.M.

and that no tax was collected. Recorded in RP

Book 116 Henry Delane

Page 948 Judge of Probate

952 Index \$ By 8 1/2

Refer to RP Book 106 Page 1414-1417
106 1412-1413

IN THE CIRCUIT COURT IN AND FOR BALDWIN COUNTY, ALABAMA

LAKE FOREST PROPERTY OWNERS
ASSOCIATION, INC., ALBERTA
IVIE, THEODORE T. EDWARDS,
BERNARD J. LeBLANC, ALICE N.
SPIELMANN, J. HARRY O'BRIAN,
HAROLD L. DOZIER, ARTHUR L.
BROWN, HERMAN H. SPRIGGS,
RICHARD F. FRISCH, and DREW
J. BARRETT, JR.,

Plaintiffs

Vs.

LAKE FOREST, INC.,

Defendant

* STATE OF ALABAMA

* BALDWIN COUNTY

* I certify that this Instrument was filed on

* OCT 21 1986

* and that no tax was collected. Recorded in

* Book 266
* Page 839-87 Judge of Probate

* D.P. \$1.00 Index \$ _____ By Dr

CIRCUIT COURT
BALDWIN CO., ALA.

FILED

OCT 8 1986

EUNICE G. TINDAL
REGISTER

* CIVIL ACTION NO. CV-85-500229

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This case coming on before the Court on Motion for Summary Judgment heretofore filed by the Plaintiffs, the answer of the Defendant and the Petition of the Intervenor, and this Court having received the Motion for Summary Judgment, the affidavits attached hereto and the exhibit filed therewith, and having heard the oral arguments and having examined the briefs filed in support of said arguments, this Court, upon consideration of same and the pleadings filed herein, does hereby make its findings of facts, conclusions of law and order as follows:

FINDINGS OF FACTS

1. Plaintiff, Lake Forest Property Owners Association, Inc., ("Association"), is a property owners association incorporated in the State of Alabama as a not-for-profit corporation. Its Corporate Charter was recorded in Corporate Book 18, Page

FILED
266 PAGE 0839

595, et seq., in the Records of the Judge of the Probate Court of Baldwin County, Alabama, on July 29, 1971.

2. Plaintiff Association is made up of the lot owners and condominium owners at that certain planned unit development located in Baldwin County, Alabama known as "Lake Forest".

3. Membership in Plaintiff Association, according to the terms of the hereinabove referred to Corporate Charter and in accordance with the terms of the various Declarations of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges regarding Lake Forest and hereinafter more particularly described, is mandatory and goes with the condominium purchase and with the purchase of lots located in the Lake Forest Development.

4. The individual Plaintiffs are adult citizens of the State of Alabama and are residents of Baldwin County. Each owns either a residential lot or a residential condominium in the Lake Forest Development, and each is a member in good standing of Plaintiff Association.

5. Defendant, Lake Forest, Inc., ("Defendant") is the Developer of the Lake Forest Project in Baldwin County, Alabama and is a corporation incorporated in the State of Alabama with its principal place of business in Baldwin County, Alabama. Defendant is a wholly-owned subsidiary of Purcell Company, Inc. ("Purcell"), a corporation incorporated in the State of Delaware, having its principal place of business in the State of Mississippi.

6. The Lake Forest Project consists of approximately 4,100 residential lots and 470 condominium units. The facil-

FILED
266
PAGE
0840

ity also contains a 27-hole Golf Course, a lake, marina, Yacht Club, Country Club, tennis courts, riding stables, common open spaces, and various other amenities.

7. Defendant prepared and recorded a series of some 19 identical Declarations of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges (hereinafter "Declarations") relating to the various units of the Lake Forest Project. The first of said Declarations was recorded on June 16, 1971 in Miscellaneous Book 22, Page 687, et seq., in the Records of the Judge of the Probate Court of Baldwin County, Alabama. The subsequent 18 Declarations were recorded from time to time up to and including June of 1974.

8. Defendant commenced selling lots and condominiums in the Lake Forest Project in 1971. Each of said lots and condominiums so sold by deed, contract, or otherwise, was subject to the recorded Declarations.

9. Each Declaration when recorded created for the affected unit(s) a common scheme or plan of development with restrictions, conditions, easements, covenants, liens and charges for the mutual and reciprocal benefit of each and every lot and condominium located in the Lake Forest Project.

10. Said common scheme or plan of development gave rise to and created and constituted a series of covenants running with the land benefiting and burdening each lot and condominium in the Lake Forest Development.

11. The original general scheme of development as set forth in the various recorded Declarations requires mandatory membership in the Association for each lot owner and condominium owner.

FILED
266 PAGE 0841

12. Plaintiff Association is the owner of approximately 280 acres of land, lakes, and other facilities used in common by all lot owners and condominium owners, and maintains the shoulders and medians of the rights-of-way for over 52 miles of roads within the Development.

13. The Association, under the terms of these Declarations and under the terms of that certain Conveyance and Agreement dated February 2, 1979 and recorded in Real Property Book 44, Page 1794, Baldwin County Probate Records, is required to provide basic services, such as maintenance of lighting security services, operation and maintenance of recreation facilities, lake maintenance and the performance of general maintenance, including road shoulders and medians.

14. It is a fundamental aspect of the original scheme of development that the operation of the common amenities and the general maintenance of the entire Lake Forest Project be funded by a mandatory monthly assessment to be paid by each and every lot owner and condominium owner for their reciprocal and mutual benefit. These obligations to pay the mandatory assessments constitute a covenant running with the land. Boyle v. Lake Forest Property Owners Ass'n, 538 Supp. 765 (S.D. Ala. 1982).

15. The value of the lots in Lake Forest is substantially enhanced by the general scheme of development.

16. In October of 1974, Defendant unilaterally executed and caused to be recorded an Amendment to the original Declarations which had the effect of allowing lot owners and condominium owners who obtained a VA or FHA guaranteed loan to construct improvements there in to resign from the Lake Forest

RE AL 266 PAGE 0842

Property Owners Association and to unilaterally excuse themselves from any further obligation to pay any of the mandatory assessments to the Association. This Amendment was filed for record on December 22, 1975 and is recorded in Miscellaneous Book 26, pages 1-5, in the Records of the Judge of the Probate Court of Baldwin County, Alabama.

17. A second and similar Amendment was recorded on October 8, 1976 in Miscellaneous Book 26, pages 535, et seq. in the Records of the Judge of the Probate Court of Baldwin County, Alabama, which extended the same privilege to resign membership in the Association and to unilaterally avoid the obligation to pay the mandatory assessments to those who obtained improvement loans through FNMA and conventional lenders.

18. At the time of the recording of the second of the two Amendments, approximately 3,221 lots had been sold by Defendant, said number constituting 97% of the approximately 3,330 lots which have been sold as of November, 1985.

19. In February of 1979, Defendant conveyed to Plaintiff Association all of the common amenities in the Lake Forest Development, and at the same time transferred to Plaintiff Association all rights to collect the mandatory assessments. The instrument of conveyance contained an agreement requiring the Association to maintain all of the common amenities.

20. Subsequent to that date, Plaintiff Association has owned, and undertaken to maintain, insure and control all of

REL 266 PAGE 0843

the common facilities and amenities at the Lake Forest Development and to provide security, lighting and all services necessary for the maintenance of the quality and appearance of the common properties. Such actions directly or indirectly benefit all lot owners and condominium owners at Lake Forest.

21. The amendments were required by the Veterans Administration, but neither the VA nor Lake Forest, Inc., as developer, contemplated at the time of the adoption of the amendments that more than a very few members would, in fact, resign their membership. However, subsequent to December of 1975, the owners of approximately 274 residential units (8%) out of 3330 lot sales unilaterally resigned their respective membership and ceased paying their subdivision maintenance assessments in accord with the subject December 22, 1975 and October, 1976 Amendments. Similarly, owners of 144 (37%) of the 374 condominiums sold in Lake Forest resigned their memberships. Most of such resignations have taken place within the past three years. By 1985, the Association was receiving as many as two or three resignation applications per week.

22. The lot owners and condominium owners who have so resigned their membership and avoided their obligations still utilize the roads maintained by the Association, benefit from security and other services, and have access to and use of open common areas maintained by the Association.

23. The currently financial loss to the Association in uncollected assessments is approximately \$140,000 per year, which said sum will continue to increase if more units are allowed to resign.

EX-11 266 PAGE 0844

24. The association has suffered and continues to suffer a substantial financial loss and is in jeopardy of being unable to fund its maintenance and service obligations as required by the original Declarations of Restrictions and Covenants.

25. Intervenor, Michael J. Wesley, in his Intervention Petition and in Count One of his initial Complaint, seeks an interpretation of the meaning of certain provisions contained in the Amendments to Restrictions and Covenants heretofore filed by Defendant in December of 1975 and October of 1976.

CONCLUSIONS OF LAW

26. Despite the good intentions of the Veterans Administration and Lake Forest, Inc., as Developer, the Amendments to Restrictive Covenants filed for record in Miscellaneous Book 26, pages 1-5, and in Miscellaneous Book 26, pages 535-539, which allow lot owners and condominium owners who have obtained purchase money or construction money mortgages from or guaranteed by the VA, FHA, FNMA, or conventional lenders, to unilaterally resign from the Association and to cease paying their Subdivision maintenance assessments for the upkeep of the Subdivision, have become so onerous and burdensome that they are now, in fact, destroying the general scheme or plan of development for the Lake Forest Subdivision. If the Lake Forest Property Owners Association is not allowed to stop the property owners from opting out (resigning) from the mandatory membership and maintenance fee and, thus, by attrition, eventually bring all properties back within the developer's initial common plan or scheme of development, said plan or scheme will be

FILED
263
PAGE
0845

destroyed. As such, said amendments hereinabove described are, and the same are hereby declared to be null, void and of no force and effect ab initio. Wright v. Cypress Shores Development Co., Inc., 413 So. 2d 115 (Ala. 1982).

27. The relief sought by Michael Wesley in Counts I, III, IV & V of his Complaint presumes the validity of the above-described void Amendments, therefore, the relief sought in said claim is hereby denied.

28. Count II of Michael Wesley's Complaint wherein he claims that the Association perpetrated fraud is hereby dismissed as the uncontested facts affirmatively show that Wesley did not suffer any detriment by reason of his reliance on any representation of the Association.

ORDER

Now, THEREFORE, it is hereby ORDERED, ADJUDGED and DECREED that the Motion for Summary Judgment heretofore filed by the Plaintiff in this cause ought to be, and the same hereby is GRANTED, and the Amendments to Restrictive Covenants heretofore recorded in the Probate Court of Baldwin County in Miscellaneous Book 26, at pages 1-5 and in Miscellaneous Book 26, at pages 535-539, are hereby declared to be invalid and null and void ab initio.

It is further ORDERED, ADJUDGED and DECREED that, in equity, those individuals who have heretofore resigned their respective memberships in the Lake Forest Property Owners Association shall be allowed to continue in such resigned status so long as the title to the membership lot of such member is not changed,

transferred or assigned, and so long as the mortgage currently in effect on such lot is not satisfied in full. No extensions or renewals of or substitutions for such mortgage shall be effective to extend or keep in force and effect such individual's resignation.

Further, Michael Wesley shall be allowed to resign his membership as of the date of this decree; the monies held in escrow pursuant to an agreement between the Association and Wesley shall be paid to Wesley; and the Association shall within sixty (60) days of the date of this Decree cause the liens filed against the lots owned by Wesley to be removed.

The Court further finds that there is no just reason for delay of entry of this Final Order and hereby directs entry of this judgment in accordance with Rule 54 (b) of the Alabama Rules of Civil Procedure, each party to bear their own costs.

DONE and ORDERED this, the 2nd day of October, 1986.

REAL 266 PAGE 0847

I, Eunice G. Tindal, Register of the Circuit Court of Baldwin County, Alabama, do hereby certify that the foregoing is a correct copy of the original decree rendered by the Judge of the Circuit Court in the stated cause, which said decree is on file and enrolled in my office.

AND D. NEILSON
CIRCUIT JUDGE

WITNES MY HAND AND SEAL this the 2nd day of October, 1986.

Eunice G. Tindal
Register of Circuit Court, In Equity

James E. Tindal, Esq.
Walter H. Hyatt, Esq.
James E. Crosby, Esq.
J. Don Easter, Esq.
Benjamin C. McNamee, Esq.
James E. Tindal, Jr., Esq.

CIRCUIT COURT
BALDWIN CO., ALA.
FILED

OCT 8 1986

EUNICE G. TINDAL
REGISTER

10-8-86