

**EDGEWATER CONDOMINIUM
RULES AND REGULATIONS APPLICABLE TO CONSTRUCTION WITHIN DWELLING UNITS**
Adopted 01Oct, 2005

The following rules and regulations apply to any and all work and workers who have been retained by an individual condominium owner to perform work associated with their unit. This document shall be made a part of any agreement or contract, and it is the individual condominium owner's responsibility to ensure these rules and regulations are being followed. Failure to comply with these rules and regulations will result in a verbal warning, and failure to correct the violation may result in the contractor being asked to leave the property.

1. Permits

Permits and licenses necessary for the execution of the work shall be secured by the contractor. Consult with City of Gulf Shores to determine if work you are contemplating will require a permit.

2. Building Use

Unless otherwise requested in advance, contractor shall confine his use of the premises to the loading/unloading area and the designated construction area so as not to interrupt other owners. Fabrication or cutting of materials shall not occur on public balconies. Fabrication and cutting of materials on the first floor will only be allowed for limited times and only in areas approved by the building manager.

3. Elevators

All construction materials, tools, and trash are to be transferred to and from the construction floor via the elevator. Do not throw trash from the balconies and do not use the trash chute for construction debris. Properly protect elevator and other common area walls and floors when transporting materials that may scratch, dent, or otherwise disfigure these surfaces.

4. Common Areas

Contractor shall protect, as necessary, all walls, carpets, floors, furniture, and fixtures, and shall repair or replace damaged property as a result of the work being performed.

5. Water and Electricity

Sources of water and electricity are available only from the individual condominium owner. Common area connections for these utilities shall not be used without prior written approval.

6. Sanitary Facilities

The Contractor shall use only those facilities as allowed by the condominium owner. First floor sanitary facilities are not to be used.

7. Dusty Work

Contractor shall notify the on building manager prior to commencement of any extremely dusty work which will not be contained within the condominium.

8. Noxious Odors

Contractor shall minimize use of materials that create noxious odors or fumes and are only allowed to be used within the specific condominium unit in which work is being performed.

9. Disposition of Materials

Any and all existing materials removed and not reused in the construction, shall be disposed of by the Contractor as waste or unwanted material and delivered to the loading/unloading area in a controlled manner, and removed from the site daily. Storage of construction materials and demolition debris may not be stored, even temporarily, on any balcony, first floor, or any other common area without prior written approval of the building manager.

10. Clean-Up

The Contractor shall at all times, on a daily basis, keep the building free from accumulations of waste materials, debris or rubbish caused by the work. At the completion of the work, contractor shall remove from the site all tools and surplus materials and debris.

11. Working Hours

Generally, work must only be performed between the hours of 7:00 a.m. to 7:00 p.m. Work which

requires drilling or cutting of the concrete floor slab or any concrete structural member or work where machine noise or vibration may disrupt other condominium owners shall only be done between the hours of 12 noon and 6:00 pm.

12. Workman Conduct

No abusive language or actions on the part of the workers will be tolerated. It will be the responsibility of the contractor to enforce this.

13. Excessive Noise

Contractor shall not disturb the building occupants by the use of any musical instruments, radios, televisions, or other electronic devices, or the making of any raucous or unreasonable noise of any kind.

14. Parking

Contractor shall observe and comply with parking signs and markers on the building grounds and surrounding areas. Under no circumstances are contractor's employees allowed to park in parking spaces designated for the handicapped, loading zones (except for brief loading/unloading of materials), and spaces marked for "Owners". Vehicles with trailers shall be parked in such manner that not more than 2 parking spaces are consumed, and such that normal flow of traffic in the parking lot is not hindered.

15. Deliveries

All delivery of materials and removal of construction debris must be done so at the designed loading/unloading area. Loading/unloading area shall not be encumbered once materials are loaded or unloaded.

16. Smoking Policy

Smoking is not permitted inside the building unless approved by the condominium owner. Outside of the condominium unit where work is being performed, smoking is only allowed on the first floor and not less than 30 feet from stairwells or elevator entrance. Smoking is not permitted on balconies or stairs.

17. Security

Do not store materials or tools in public areas. The condominium association nor the building management will be responsible for lost or stolen materials or tools.

18. Cleaning of Tools

Contractors are forbidden from using any common areas for the cleaning of their brushes, trowels, etc.

19. Emergency Contacts

Police, Fire, Ambulance: 911.

Management Office 251.948.6056.

Dear Edgewater Condo Owners:

Your immediate attention is required to correct a condition that has gotten out of hand.

During the past two years of recovery, chaos, ownership turnover and distraction, our condo rules have fallen by the wayside. The condo board is in the process of updating these rules. However, the following rules are still in effect and must be enforced by each individual condo owner. Please assure that your guests, renters and rental agencies are informed, in writing, and that everyone that will be occupying your unit, in turn, understand and follow these rules.

- 1. Only owners and their immediate family are allowed to park in parking places marked "Owner Parking." Such parking is limited to two vehicles on the premises at the same time. Immediate family is defined as husband and wife, sons, daughters and grandchildren accompanying them. Vehicles belonging to those defined as immediate family members must have the blue "Edgewater Owner" sticker displayed either on their windshield or on a hang tag suspended from their rear view mirror. Guests who are staying with owners may use guest passes without charge, but owners must be present with them. Three parking places may sometimes be allowed, with permission, if parking space is adequate.**
- 2. These parking privileges do not extend to unaccompanied grandchildren, uncles, cousins and friends. All others occupying their quarters must pay a \$10.00 parking fee (one \$10 fee per complete visit) to Roger Bobo, upon arrival or as soon as possible**

thereafter, and display the "Guest of Unit __" card in a conspicuous place on the dash of their vehicle. All others will be towed.

- 3. Absolutely no boats, trailers or RV's (recreational vehicles/motor homes) are allowed to park in Edgewater parking lot.**
- 4. No items are to be hung on outside railings.**
- 5. No open fires, i.e. BBQ pits, above ground level by order of the Fire Marshall (and common sense). Bar Be Q or grill only in designated areas beneath the building.**
- 6. No glass containers (drink glasses, beer or liquor bottles) in patio and pool areas.**
- 7. Do not allow children to play on the elevator.**
- 8. Rinse off sand BEFORE entering the pool area.**
- 9. Do not feed birds from balcony or patio.**
- 10. Do not throw items from balconies.**
- 11. No car washing in the parking lot.**
- 12. Bag and tie all garbage before placing in the garbage chutes located on each floor opposite the elevator. Do not place loose garbage or construction materials in the garbage chutes.**
- 13. No fireworks are allowed on the Edgewater premises.**
- 14. This condo REQUIRES infants and toddlers still in diapers to wear swim diapers in the pool.**

The condo board will issue updated and complete rules as soon as possible. In the interim, the above rules are to be enforced.

**Thank you for your cooperation.
The Edgewater Condo Board**

J. Fred Williams, President

G. DAVID CHAPMAN III, P.C.

Phone (251) 968-2402
Facsimile (251) 968-8351

Attorney at Law
Cove Commercial Park
144 Cove Avenue
Gulf Shores, Alabama 36542
e-mail: chaplaw@gdavidchapman.com

emailed 13
Fred on
2/17/2010
Mailing Address:
P.O. Box 1508
Gulf Shores, Alabama 36547

February 11, 2010
Via U.S. Mail and E-Mail to majorfred@mindspring.com

Dr. J. Fred Williams
Box 503
Jacksonville, Alabama 36265

Edgewater Condominium
Post Office Box 2759
Gulf Shores, Alabama 36547

RE: Proposed Amendment to Declaration of Edgewater Condominium

Dear Dr. Williams:

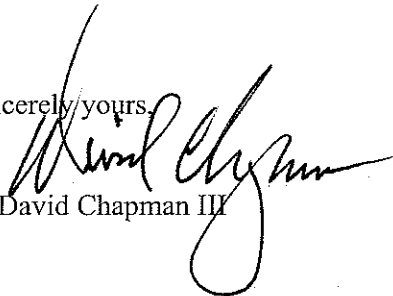
Let me first apologize for the delay in forwarding the enclosed to you. I had finalized my drafts a month ago, and I intended to send same to Bruce White for his comments. Your file was suspended for his response. The file came up in my suspense and it was discovered that, inadvertently, the draft had not been sent to Bruce. I did, at that time, send to Bruce and he responded the same day.

Enclosed you will find the draft of the proposed Amendment to the Declaration to comply with your request to (i) have statutory insurance requirements for new condominiums {since 1991} be instituted for Edgewater Condominiums; and (ii) the provisions regarding the owner's responsibility, for negligence or otherwise, be "tweaked". Please review and contact me with any questions or comments.

As mentioned in our previous meeting, the amendment must be approved by "votes representing 3/4th of the private individual units of the Edgewater Condominium, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. Notice of any meeting at which an amendment to this Declaration is proposed shall be in writing and shall include specific notice of the nature and terms of the proposed amendment". Insomuch as I understand that your annual meeting is held in the fall, that you set a date for a special meeting prior to the annual meeting and have this matter resolved at that time, even if it means that most of the votes will be by proxy.

After your review, please call for discussion.

Sincerely yours,


G. David Chapman III

GDCH/ce
Enclosure
Cc: Bruce White

STATE OF ALABAMA)

COUNTY OF BALDWIN)

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

WITNESSETH:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

In accordance with Article Fourteen of the Declaration of Condominium of The Edgewater Condominium, dated May 27, 1981 recorded May 28, 1981 in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371-391, said Declaration of Condominium is HEREBY AMENDED as follows:

A. Article Twelve, Section 4 is in its entirety (including 4a, 4b and 4c) is hereby amended to read as follows:

4a. The Association shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than the greater of 80 percent of the actual cash value of the insured property at the time the insurance is purchased or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any co-insurance provisions and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies; and

(2) Liability insurance, including medical payments insurance, in an amount determined by the board covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

b. The insurance maintained under subsection 4a(1) above, to the extent reasonably available, must include the units, but need not include improvements and betterments installed by unit owners.

c. If the insurance described in subsections 4a and 4b above is not reasonably available, the association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all unit owners.

d. Insurance policies carried pursuant to subsection 4a above must provide that:

(1) Each unit owner is an insured person under the policy with respect to liability arising out of his interest in the common elements or membership in the association.

(2) The insurer waives its right to subrogation under the policy against any unit owner or member of his household;

(3) No act or omission by any unit owner, unless acting within the scope of his authority on behalf of the association, will void the policy or be a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the association's policy provides primary insurance.

e. Any loss covered by the property policy under subsections 4a(1) and 4b must be adjusted with the association, but the insurance proceeds for that loss are payable to any insurance trustee designated for the purpose, other otherwise to the association, and not to any holder of a security interest. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of subsection (h), the proceeds must be disbursed first for the repair or restoration of the damaged property, and the association unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

f. Nothing contained herein shall be construed to prevent a unit owner from obtaining insurance for his or her own benefit.

g. An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the association and, upon written request, to any unit owner, or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after

notice of the proposed cancellation or non-renewal has been mailed to the association, each unit owner and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

h. Any portion of the condominium for which insurance is required under this section which is damaged or destroyed must be repaired or replaced promptly by the association unless:

- (1) The condominium is terminated, in which case Section 35-8A-218 of the Code of Alabama shall apply;
- (2) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (3) Eighty percent of the unit owners, including every owner of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

If the entire condominium is not repaired or replaced, (i) the insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the condominium, (ii) except to the extent that other persons will be distributees under Section 35-8A-205(a)(12)(ii) of the Code of Alabama,

- (1) The insurance proceeds attributable to units and limited common elements which are not rebuilt must be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated, or to lien holders, as their interests may appear, and
- (2) The remainder of the proceeds must be distributed to all the unit owners or lien holders, as their interests may appear, in proportion to the common element interests of all the units.

If the unit owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under Section 35-8A-107(a) of the Code of Alabama, and

the association promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations.

B. Article Thirteen, Section Seven is, in its entirety, amended to read as follows:

7. Liability of Owners. A Unit Owner shall be liable for the expense of any maintenance, repair, or replacement of private or common elements rendered necessary by his act, neglect, or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or the Common Elements or the Limited Common Elements.

C. In all other respects the above Declaration of Condominium of The Edgewater Condominium, a condominium is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit Corporation, has caused this Amendment to the Declaration of Condominium to be executed, under seal, by its duly authorized officers, whose names are set forth below, this the _____ day of _____, 2010.

THE EDGEWATER CONDOMINIUM OWNERS'
ASSOCIATION, INC.
An Alabama Non-Profit Corporation

By: _____

Its: _____

ATTEST:

Its: _____

STATE OF _____

COUNTY OF _____

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____ and _____, respectfully, of THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., a Non-Profit Corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day, that being informed of the contents of said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

Given under my hand and seal this the _____ day of _____, 2010.

NOTARY PUBLIC
My Commission Expires:

THIS INSTRUMENT PREPARED BY:

G. DAVID CHAPMAN III, P.C.
Attorney at Law
Post Office Box 1508
Gulf Shores, Alabama 36547
File 09.7641

G. DAVID CHAPMAN III, P.C.

Phone (251) 968-2402
Facsimile (251) 968-8351

Attorney at Law
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144 Cove Avenue
Gulf Shores, Alabama 36542
e-mail: chaplaw@gdavidchapman.com

Mailing Address:
P.O. Box 1508
Gulf Shores, Alabama 36547

March 3, 2010

Dr. J. Fred Williams
Box 503
Jacksonville, Alabama 36265

Edgewater Condominium
Post Office Box 2759
Gulf Shores, Alabama 36547

RE: Proposed Amendment to Declaration of Edgewater Condominium

Dear Dr. Williams:

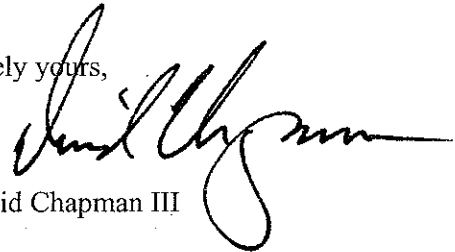
As per our phone conversation, please find enclosed, the proposed Amendment to the Declaration of Condominium of Edgewater Condominium. This document should be in a final form suitable for voting upon the issues.

Other than summarize the intent and purpose of the amendment in your notice the meeting at which this matter will be considered, it would be my suggestion that you simply enclose a copy of this proposed Amendment in each notice of the meeting to your owners.

The Amendment will be effective only after passage in accord with the Declaration and By-Laws of the Association and recording of the same in the Office of the Judge of Probate, Baldwin County.

If I can be of any assistance in the future please advise. Enclosed please find my statement for services rendered.

Sincerely yours,



G. David Chapman III

GDCIII/ce

Enclosure

STATE OF ALABAMA)

COUNTY OF BALDWIN)

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

W I T N E S S E T H:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

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A. Article Twelve, Section 4 is in its entirety (including 4a, 4b and 4c) is hereby amended to read as follows:

4a. The Association shall maintain, to the extent reasonably available:

- (1) Property insurance on the common elements insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than the greater of 80 percent of the actual cash value of the insured property at the time the insurance is purchased or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any co-insurance provisions and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies; and
- (2) Liability insurance, including medical payments insurance, in an amount determined by the board covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

b. The insurance maintained under subsection 4a(1) above, to the extent reasonably available, must include the units, but need not include improvements and betterments installed by unit owners.

c. If the insurance described in subsections 4a and 4b above is not reasonably available, the association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all unit owners.

d. Insurance policies carried pursuant to subsection 4a above must provide that:

- (1) Each unit owner is an insured person under the policy with respect to liability arising out of his interest in the common elements or membership in the association.
- (2) The insurer waives its right to subrogation under the policy against any unit owner or member of his household;
- (3) No act or omission by any unit owner, unless acting within the scope of his authority on behalf of the association, will void the policy or be a condition to recovery under the policy; and
- (4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the association's policy provides primary insurance.

e. Any loss covered by the property policy under subsections 4a(1) and 4b must be adjusted with the association, but the insurance proceeds for that loss are payable to any insurance trustee designated for the purpose, other otherwise to the association, and not to any holder of a security interest. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of subsection (h), the proceeds must be disbursed first for the repair or restoration of the damaged property, and the association unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

f. Nothing contained herein shall be construed to prevent a unit owner from obtaining insurance for his or her own benefit.

g. An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the association and, upon written request, to any unit owner, or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after

notice of the proposed cancellation or non-renewal has been mailed to the association, each unit owner and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

h. Any portion of the condominium for which insurance is required under this section which is damaged or destroyed must be repaired or replaced promptly by the association unless:

- (1) The condominium is terminated, in which case Section 35-8A-218 of the Code of Alabama shall apply;
- (2) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (3) Eighty percent of the unit owners, including every owner of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

If the entire condominium is not repaired or replaced, (i) the insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the condominium, (ii) except to the extent that other persons will be distributees under Section 35-8A-205(a)(12)(ii) of the Code of Alabama,

- (1) The insurance proceeds attributable to units and limited common elements which are not rebuilt must be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated, or to lien holders, as their interests may appear, and
- (2) The remainder of the proceeds must be distributed to all the unit owners or lien holders, as their interests may appear, in proportion to the common element interests of all the units.

If the unit owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under Section 35-8A-107(a) of the Code of Alabama, and

the association promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations.

B. Article Thirteen, Section Seven is, in its entirety, amended to read as follows:

7. Liability of Owners. A Unit Owner shall be liable for the expense of any maintenance, repair, or replacement of private or common elements rendered necessary by his act, neglect, or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or the Common Elements or the Limited Common Elements.

C. In all other respects the above Declaration of Condominium of The Edgewater Condominium, a condominium is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit Corporation, has caused this Amendment to the Declaration of Condominium to be executed, under seal, by its duly authorized officers, whose names are set forth below, this the _____ day of _____, 2010.

THE EDGEWATER CONDOMINIUM OWNERS'
ASSOCIATION, INC.
An Alabama Non-Profit Corporation

By: _____

Its: _____

ATTEST:

Its: _____

STATE OF _____

COUNTY OF _____

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____ and _____, respectfully, of THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., a Non-Profit Corporation, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day, that being informed of the contents of said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

Given under my hand and seal this the _____ day of _____, 2010.

NOTARY PUBLIC
My Commission Expires:

THIS INSTRUMENT PREPARED BY:

G. DAVID CHAPMAN III, P.C.
Attorney at Law
Post Office Box 1508
Gulf Shores, Alabama 36547
File 09.7641

STATE OF ALABAMA
BALDWIN COUNTY

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

WHEREAS, this is Amendment to the Declaration of Condominium of The Edgewater Condominium, said Declaration was filed for record on May 28, 1981, in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371 - 391; and in accordance with Article Fourteen of said Declaration, a duly authorized meeting was held on October 8, 1988, at The Edgewater Condominium
Gulf Shores, Alabama, with twenty-one units present, either in person or by proxy, out of a possible twenty-eight (28) units (the 21 units present represented 21 out of a possible 28 votes) and all twenty-one (21) units present voted in favor of the following: (i) amending the said Declaration to include therein a provision providing for addition insurance coverage to cover the loss of certain "building items" located within the private elements of a condominium unit in the event of catastrophic destruction or damage caused by a casualty to more than one unit; (ii) amending the said Declaration to delete a provision which allows a person who takes title to a unit as a result of a deed in lieu of foreclosure to be partial exempt from liability which became due prior to their taking title by deed in lieu of foreclosure; and,

WHEREAS, it is the intention of this amendment that in the event of catastrophic destruction or damage caused by a casualty to more than one unit of The Edgewater Condominium it would expedite the insurance claims when the damage is to "building items," such items to include, but are not to be construed as a limitation, wallpaper, built-in cabinets, built-in appliances, carpets attached to the subflooring, tile, floor coverings and fixtures, which are permanently attached to the floors, walls or ceiling and located within the interior boundary of the private individual condominium units, that such "building items" shall be included in any insurance coverage obtained in the name of The Edgewater Condominium Owners' Association; and,

WHEREAS, it is the further intention of this amendment to amend Article Thirteen, Paragraph 5 (a) to delete the wording pertaining to taking title by deed in lieu of foreclosure and thereby making the person or persons who take title by deed in lieu of foreclosure responsible for that units' share of the common expenses or other assessments which were chargeable to the former unit owner prior to the current unit owner taking title by deed in lieu of foreclosure.

*Passed April 7, 1990
Board of Directors
Meeting
10:00 AM*

EDGEWATER CONDOMINIUM

SUBJECT: RULE PROPOSAL FOR DELINQUENT ACCOUNTS

1. THERE WILL BE A \$10.00 LATE CHARGE ADDED TO ALL MONTHLY DUES PAYMENTS NOT PAID BY THE 15TH OF THE MONTH.
2. WHEN AN OWNER/OWNERS BECOME DELINQUENT IN PAYING THE MONTHLY DUES OR SPECIAL ASSESSMENTS AND OWES A DELINQUENT BALANCE TO THE CONDO ASSOCIATION, THE CONDO ASSOCIATION MAY IMPOSE A MONTHLY PENALTY OR SERVICE CHARGE OF 1.5% OF THE UNPAID BALANCE DUE TO THE ASSOCIATION UNTIL ALL DELINQUENT FEES AND PENALTY ASSESSMENTS ARE PAID IN FULL TO THE ASSOCIATION. PAYMENTS MADE ON DELINQUENT ACCOUNTS WILL FIRST BE GIVEN CREDIT FOR THE LATE CHARGES AND PENALTY INTEREST, AND THEN CREDIT WILL BE GIVEN TO THE OUTSTANDING BALANCE OWED TO THE ASSOCIATION FOR DUES AND SPECIAL ASSESSMENTS.
3. WHEN THE OWNER/OWNERS BECOME DELINQUENT IN EXCESS OF NINETY (90) DAYS, THE ASSOCIATION MAY TAKE LEGAL PROCEEDINGS AGAINST THE OWNER/OWNERS FOR ALL OUTSTANDING INDEBTNESS, INCLUDING BUT NOT LIMITED TO, ALL LEGAL FEES, COURT COSTS, ETC., THAT MAY BE INCURRED. THIS ACTION MAY BE TAKEN WITHOUT PRIOR NOTICE TO DELINQUENT OWNER/OWNERS.
4. FOR THE PURPOSE OF THIS RULE, DELINQUENCY SHALL MEAN ANY BALANCE OWED TO THE CONDO ASSOCIATION THIRTY (30) CALENDAR DAYS FROM BILLING DATE.
5. ANYTIME PRIOR TO DELINQUENT DATE THE OWNER/OWNERS MAY PETITION TO THE ASSOCIATIONS BOARD OF DIRECTORS FOR AN EXTENSION OF TIME. THE PETITION MUST BE IN WRITING GIVING A CLEAR, CONCISE, AND FACTUAL EXPLANATION AS TO WHY ADDITIONAL TIME IS NEEDED. THE PETITION MUST BE IN THE POSSESSION OF THE BOARD OF DIRECTORS AND ACTED ON BY THEM PRIOR TO THE EXPIRATION OF THE DELINQUENCY DATE. UNLESS OTHERWISE APPROVED BY THE BOARD OF DIRECTORS, EXTENSIONS WILL BE LIMITED TO THIRTY (30) CALENDAR DAYS.

THIS RULE IS NOT INTENDED FOR THE PURPOSE OF CHANGING, AMENDING OR ELEMENATING ANY BY-LAW, LAW, RULE OR REGULATION CURRENTLY IN EFFECT AT THE EDGEWATER CONDOMINIUM ASSOCIATION.

Signed April 7, 1990
Board of Directors Meeting
10:00 AM

STATEMENT OF CHANGE OF REGISTERED OFFICE
AND REGISTERED AGENT OF EDGEWATER CONDOMINIUM
OWNERS' ASSOCIATION, INC., A NONPROFIT CORPORATION

To the Secretary of State of the State of Alabama:

Pursuant to the provisions of Section 10-3-27 of the CODE OF ALABAMA, the undersigned nonprofit corporation, organized under the laws of the State of Alabama, submits the following statement for the purpose of changing its registered office or its registered agent, or both, in the State of Alabama.

FIRST: The name of the corporation is EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., A NONPROFIT CORPORATION.

SECOND: The address of its present registered office is Holk Office Building, Highway 59 South, Gulf Shores, Alabama 36542.

THIRD: The address to which its registered office is to be changed is 1538 Gulf Shores Parkway, Gulf Shores, Alabama 36542.

FOURTH: The name of its present registered agent is R. Lonnie Flipppo.

FIFTH: The name of its successor register agent is Thomas W. Klyce.

SIXTH: The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

SEVENTH: Such change was authorized by resolution duly adopted by its board of directors.

DATED this the 9 day of April, 1990.

EDGEWATER CONDOMINIUM OWNERS'
ASSOCIATION, INC., A NONPROFIT
CORPORATION

BY
ITS

President

STATE OF Alabama
Baldwin COUNTY

I, the undersigned authority, a Notary Public, in and for said county, in said State, do hereby certify that on this 9 day of April, 1990, personally appeared before me BEAU L. GREENWALD, who, being by me first duly sworn, declared that he is the President of Edgewater Condominium Owners' Association, Inc., a nonprofit corporation, that he signed the foregoing document as President of the nonprofit corporation, and that the statements therein contained are true.

Walter D. Dean
NOTARY PUBLIC

STATE OF ALABAMA
BALDWIN COUNTY

CERTIFICATE OF Amendment

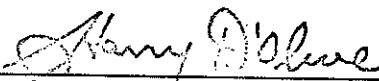
OF

Edgewater Condominium Owners' Association, Inc.

The undersigned, as Judge of Probate of Baldwin County, State of Alabama, hereby certifies that duplicate originals of Articles of Amendment for the incorporation of Edgewater Condominium Owners' Association, Inc. duly signed pursuant to the provision of the Alabama Non Profit Corporation Act have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Judge of Probate, and by virtue of the authority vested in him by law, hereby issues this Certificate of Amendment of Edgewater Condominium Owners' Association, Inc. and attaches hereto a duplicate original of the Articles of Incorporation.

GIVEN under my hand and official seal on this the 17th day of April, 19 90.


Judge of Probate

STATE OF ALABAMA

BALDWIN COUNTY

DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

Gulf Shores, Alabama

THIS IS A DECLARATION OF CONDOMINIUM made
_____, 1981, by Tempe, Inc., an Alabama corporation,
herein called The Developer, for itself, its successors,
grantees and assigns.

ARTICLE ONE

Submission to Condominium Ownership - The purpose
of this Declaration is to submit the lands herein described
and the improvements heretofore and hereafter constructed
thereon to the condominium form of ownership and use in the
manner provided by §§ 35-8-1 to 35-8-22 CODE OF ALABAMA
1975, hereinafter referred to as The Condominium Ownership
Act.

ARTICLE TWO

Name and Address of Condominium - The name by
which the condominium is to be identified is The Edgewater
Condominium. Its address is:

West Beach Drive
Gulf Shores, Alabama

ARTICLE THREE

The Lands - The lands owned by The Developer which
are hereby submitted to the condominium form of ownership

are located in the Town of Gulf Shores, Alabama, and particularly described as follows:

Lot 25, Block 3, Unit 2 of Gulf Shores, Alabama, according to the map or plat thereof recorded in the Office of the Judge of Probate, Baldwin County, Alabama, in Map Book 1, page 166.

ARTICLE FOUR

(A) Building and Grounds - The Edgewater Condominium is being developed according to plans and specifications on file in the Developer's office. When completed, the engineering certification drawings required by law will be filed in the Probate Office of Baldwin County, Alabama. The Edgewater Condominium consists of twenty eight (28) private condominium units housed in a single eight story concrete building, on concrete pilings and concrete foundation. The building is situated on the property described in Article Three, above, with its longest dimension running generally parallel to a line running East and West.

(1) Interior Units - The two interior units on each of the seven living levels are located immediately East and West of the building's North to South center line. All interior units are identical in size and layout, and all are designated by two digit condominium unit numbers ending in "2" or "3". All interior units contain two bedrooms, two ceramic tile baths, fire alarm, kitchen with built in range with hood, refrigerator with ice maker, dishwasher, garbage disposal, stacked washer and dryer (in separate laundry room) and an enclosable balcony.

(3) Interior and Exterior Units Compared - The two interior and two exterior condominium units on each of the seven living levels (Levels 2, 3, 4, 5, 6, 7 and 8) differ in location as indicated above. In addition, the kitchens and laundry rooms of the exterior units are slightly larger than the kitchens and laundry rooms of the interior units. As the result, the exterior units contain slightly more living area (approximately thirty five square feet, more or less) than the interior units.

(4) In addition to the twenty eight private individual condominium units, The Edgewater Condominium consists of a Gulfside pool for the use of all the units, an elevator, stairways and corridors, planted areas and landscaping, driveways, beach recreation area, storage and maintenance area and offstreet automobile parking spaces and areas, all located substantially as shown on the engineer's certification drawings.

(B) The Private Unit Boundaries - Each private individual condominium unit (element) includes that part of the building in which the individual unit is located, as shown on the Engineer's certification drawings. Each private unit proper is bounded as follows:

1. The upper boundary shall be the plane of the lower surfaces of the ceilings.

2. The lower boundary shall be the plane of the upper surfaces of the floor, exclusive of carpet, tile or other floor covering.

3. The vertical boundaries shall be the interior

planes of the interior walls bounding the unit, the outer planes of unit access doors, the outer planes of unit windows, and the interior planes of the exterior walls bounding the unit, except where broken as indicated above by windows or doors. Where there is a balcony attached to the building serving only a single unit, that unit's boundaries shall extend to include all of such balcony and all structures and fixtures thereon.

4. Where fixtures serving only one individual unit are installed partially within and partially without the planar boundaries of the unit as defined above, the entire fixture shall be deemed to be fully within the unit it serves and wholly subject to the exclusive control of the owner of the unit so served.

Each private individual condominium unit includes its own air conditioning and heating and water heating apparatus, but does not include the wires or pipes connected thereto, whether or not within the unit boundaries as described immediately above.

(C) The Common Elements - The common elements of The Edgewater Condominium consist of the entire condominium property, including all parts of the buildings other than the private condominium units and include, by way of example and not by way of limitation, the following:

1. The land on which the buildings and the other improvements are located.
2. All foundations, pilings, slabs, columns,

girders, beams and supports.

3. All buildings and structures not containing private individual condominium units and, with respect to buildings containing private individual condominium units the following: All exterior walls of such buildings extending, in the case of exterior walls bounding private individual condominium units, from the outermost plane of the wall inward to the wall's interior plane; all walls and partitions separating private individual condominium units from walkways, entranceways, corridors, stairways, elevator shaft, service areas, and other units; and all floors and ceilings outward of the planes of their respective interior surfaces.

4. Roofs, walkways, entranceways, stairs, stairways, elevator and elevator shaft.

5. Grounds, yards, gardens, recreation and community facilities, Gulfside pool, service areas, service facilities, parking spaces and areas and driveways and driveway areas.

6. All facilities for services and utilities, including all pipes, conduits, ducts, wires, the plumbing network, the wiring network, and the sewer network, whether located within common areas, within units or partially within each.

7. All other parts of the condominium property and all apparatus, facilities and installations for common use or necessary or convenient to the existence or safety of the condominium.

The management of The Edgewater Condominium Owner's Association, Inc., shall have a right of access, during reasonable business hours and upon reasonable prior notice (except that there is no limitation on such access during emergencies) for the purpose of inspecting, maintaining and repairing the common elements (wiring, plumbing, sewer, and heating and cooling networks, common walls, structural members and exterior walls) located within, or adjacent to, any of the units or elsewhere in the condominium.

(D) Identification of Units - The twenty eight (28) private individual condominium units are numbered so that the first digit of the unit number corresponds to level (2, 3, 4, 5, 6, 7 or 8) on which the unit is located.

(1) Level 1 - There are no private individual condominium units on Level 1, which is the ground floor.

(2) Level 2 - The four units on Level 2 are designated, from West to East, 21, 22, 23 and 24.

(3) Level 3 - The four units on Level 3 are designated, from West to East, 31, 32, 33 and 34.

(4) Level 4 - The four units on Level 4 are designated, from West to East, 41, 42, 43 and 44.

(5) Level 5 - The four units on Level 5 are designated, from West to East, 51, 52, 53 and 54.

(6) Level 6 - The four units on Level 6 are designated, from West to East, 61, 62, 63 and 64.

(7) Level 7 - The four units on Level 7 are designated, from West to East, 71, 72, 73 and 74.

(8) Level 8 - The four units on Level 8 are designated, from West to East, 81, 82, 83 and 84.

(E) Encroachments - To the extent that any unit or common element now or hereafter encroaches on any other unit or common element, whether by reason of any deviation from the plats or plans in the construction, repair, restoration, renovation or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for such encroachment shall exist.

ARTICLE FIVE

Unit Owners - Each unit owner shall have an undivided one twenty eighth (1/28) interest in the common elements of The Edgewater Condominium. The project has no limited common elements as of the filing of this declaration.

ARTICLE SIX

Voting Rights - Each unit of The Edgewater Condominium shall be entitled to one vote with respect to matters arising out of ownership of the common elements of The Edgewater Condominium. There shall therefore be a total of twenty eight such votes, one for each of the private individual units. Each unit owner, or group of owners of a unit, if more than one, shall advise the secretary of The Edgewater Condominium Owner's Association, Inc., of the name of the person entitled to exercise such vote and the secretary shall enter such name in a book kept for that purpose. The Edgewater Condominium Owner's Association, Inc., shall be entitled to rely on such advice, and shall recognize as entitled to so vote only those persons who have been designated as voters, notwithstanding that persons other than those so designated shall have various interests of ownership in the

individual units from time to time. The majority of the owners of any private individual unit may redesignate, at any time, any person, whether or not an owner, as entitled to exercise the vote of that unit by so notifying the secretary of The Edgewater Condominium Owner's Association, Inc., in writing. The Association shall recognize only the vote of the last person so designated by a majority of the owners of each unit.

ARTICLE SEVEN

Limited Common Elements - As of the filing of this declaration, The Edgewater Condominium has no limited common elements as that term is defined by the Alabama Condominium Ownership Act. ("Limited Common Elements. A part or parts of the condominium property as set forth in the declaration in which more than one but not all unit owners have an undivided interest." §35-8-2(8) CODE OF ALABAMA 1975). This Article Seven of this declaration is hereby reserved for future use should limited common areas of The Edgewater Condominium be later defined by amendment to this declaration.

ARTICLE EIGHT

Common Expense - Common expense shall be shared equally by the twenty eight private individual units, one twenty eighth (1/28) by each unit. Assessments for common expenses shall be made by The Edgewater Condominium Owner's Association, Inc., in accordance with provisions therefor in the by-laws.

ARTICLE NINE

Limited Common Expense - This Article Nine of this declaration is hereby reserved for use in assigning the

proportion of limited common expense to individual units, should any limited common areas of The Edgewater Condominium be later defined by amendment to this declaration.

ARTICLE TEN

Common Surplus - Common surplus shall be shared equally by the twenty eight private individual units, one twenty eighth (1/28) by each unit. Distribution of common surplus shall be made by The Edgewater Condominium Owner's Association, Inc., in accordance with provisions therefor in the by-laws .

ARTICLE ELEVEN

Limited Common Surplus - This Article Eleven of this declaration is hereby reserved for use in assigning the proportion of limited common surplus to be shared by each or any of the individual units, should any limited common areas of The Edgewater Condominium be later defined by amendment to this declaration.

ARTICLE TWELVE

Unit Owner's Association - The name of the association of the owners of units of The Edgewater Condominium shall be The Edgewater Condominium Owner's Association, Inc. Such association shall be responsible for the administration and management of The Edgewater Condominium in accordance with the provisions of the Alabama Condominium Ownership Act, this declaration, and the articles of incorporation and by-laws of The Edgewater Condominium Owner's Association, Inc. The association shall be incorporated. All unit owners will be members of the association, unless otherwise provided in

this declaration by amendment. The Edgewater Condominium Owner's Association, Inc., acting through its officers or governing board, shall have the following powers:

1. The association may maintain, repair, replace, clean and sanitize the common elements. (and limited common elements, if any.)

2. The association may assess and collect funds and may pay for common expenses (and limited common expenses, if any) out of such funds as are appropriate.

3. In addition to the enforcement of the covenants and restrictions concerning use, occupancy and transfer of units which are included in this declaration, the association may adopt, distribute, amend and enforce reasonable rules governing the administration and management of the condominium property and the use of the common elements (and limited common elements, if any).

4. The association shall maintain forms of insurance coverage which are for the benefit of the unit owners. The premiums for such insurance shall be assessed to the owners of the private individual units of The Edgewater Condominium on a pro rata basis, and shall constitute a part of each unit owner's liability for common expense. The association shall advise each unit owner of the type and amount of insurance coverage maintained by the association. An insurance committee or trustee may be appointed by the association and charged with responsibility of the proceeds of any such insurance. No unit owner or other person or entity having an insurable risk in The Edgewater Condominium

shall be precluded from obtaining additional insurance, individually, at his own expense and for his own exclusive benefit, against any risk, whether or not covered by insurance maintained by the association. Insurance maintained by the association shall include but shall not be limited to coverage of the entire condominium property against loss by fire, windstorm, rainstorm, flood and such other hazards as to which the association may desire insurance coverage, and liability insurance against any risk, such as death, personal injury, or damage to property, faced by unit owners or by the association by virtue of their individual, common (or limited common, if any) ownership in or control over the condominium property, including but not limited to the acts and omissions of the association, its agents, servants and employees.

4. (a) In the event of loss or damage to all or any part of The Edgewater Condominium the Association shall have the power to assess the unit owners, on a pro-rata basis, for the amount by which the cost of repair of such loss or damage exceeds the amount of insurance proceeds paid or due to be paid as the result of such loss or damage.

4. (b) In the event of any damage to the condominium property, or any portion thereof, the Association, and each of its officers and directors, shall hold the proceeds of insurance paid as the result of such loss, and all monies assessed and collected from the unit owners pursuant to the provisions of paragraph 4. (a), above, in trust pending formal action by full meeting of the Association unit owners, at

which meeting there must be a quorum, and shall expend such monies in strict accordance with the wishes of a majority of the unit owners voting at such meeting. The trust hereby established shall be for the benefit of the unit owners and, in the case of mortgaged units, by their respective mortgagees.

5. The association shall have access to each unit from time to time, upon reasonable notice and during reasonable business hours as may be necessary (except that no notice or time limitations shall be required in the case of emergencies) for the maintenance, repair or replacement of any common elements (or limited common elements, if any) therein or accessible therefrom, or for making emergency repairs necessary to prevent damages to any other unit, units, or common areas.

6. The association may purchase units in the condominium and otherwise acquire, hold, lease, mortgage and convey the same. It may also lease or license the use of common elements (and limited common elements, if any) in a manner not inconsistent with the rights of unit owners.

7. The association may acquire or enter into agreements whereby it acquires personal property, real property, leaseholds, memberships, units or other possessory or use interests in lands, facilities, services or utilities.

8. No unit shall be changed or altered except by amendment to this declaration. This provision shall not, however, be construed to prevent the repainting or non-structural remodeling or refurbishing of units by their owners, at their expense.

9. The association shall arrange for and shall assess as common expenses (or as limited common expenses, if appropriate) garbage service, sewer service, water service, the lighting of common areas, pool and grounds, maintenance and listing for taxation with respect to common areas, if required by law. All other utilities shall be the responsibility of the private individual owners.

10. The association may enter into agreements by which its powers and responsibilities or some of them may be exercised or performed by some other person or persons.

ARTICLE THIRTEEN

Covenants and Restrictions

1. Occupancy - Each private individual unit shall be occupied only by a family, its servants and guests, as a residence and for no other purpose. No unit may be divided or subdivided into a smaller unit without first amending this declaration to allow therefor.

2. Use of Common Elements - The common elements shall be used only for the purposes for which they are intended in the furnishing of access, services and facilities for the private individual units.

3. General Usage - No use or practice shall be permitted on the condominium property which is a source of annoyance to condominium residents or which interferes with the peaceful possession and proper use of the property by the residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire

hazard be allowed to exist. No private individual unit owner shall permit any use of his unit or of the common elements which will disturb the other unit owners or increase the rate of insurance on the condominium property. No unlawful use may be made of the condominium property or any part thereof. All applicable laws, zoning ordinances and regulations respecting the condominium property shall be observed and obeyed by each private individual unit owner and those persons on the premises with his permission.

4. Completion of Improvements - Until such time as the Developer has completed and sold all of the private individual units, neither the private individual unit owners, nor The Edgewater Condominium Owner's Association, Inc., nor the use of the condominium property shall interfere with the completion of the planned improvements or the sale of units. The Developer may make such use of the unsold units and common areas as may facilitate such completion and sale.

5. Notice and Effect of Encumbrances - The owners of the private individual units shall notify the Association of any and all liens upon their units and any and all suits which may affect title to their units. Such notice shall be given within five (5) days of the attachment of such lien or service of process in such suit. The granting of a mortgage on a unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such unit

at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the unit owner(s) of mortgaged units as fully entitled to cast the vote or votes attributable to their unit. However, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that unit shall be recognized by the Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

5. (a) If a holder of a mortgage of record or other purchaser of a unit obtains title to such unit as a result of foreclosure of the mortgage, or as the result of execution and delivery of a deed in lieu of foreclosure, such acquirer of title, his successors and assigns shall not be fully liable for the share of common expenses, limited common expenses or other assessments by the Association pertaining to such unit or chargeable to the former unit owner which became due prior to acquisition of title as a result of the foreclosure or deed in lieu of foreclosure. Such unpaid share of common expenses, limited common expenses or other assessments shall be deemed to be common expenses collectable from all of the remaining unit owners including such acquirer, his successors and assigns.

6. Rules and Regulations - The Edgewater Condominium Owner's Association, Inc., may make and amend from time to time reasonable regulations concerning the use of the condominium property in accordance with the provisions therefor in its articles of incorporation and by-laws. Copies of all such regulations and amendments shall be furnished by the Association to all private individual unit owners and residents upon request.

7. Liability of Owners - Owners of private individual units of The Edgewater Condominium shall be liable for the expense of any maintenance, repair or replacement of private or common elements rendered necessary by their acts, negligent, careless or otherwise, or those of anyone on the premises with their express or implied consent, 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 insurance rates occasioned by such acts or by an owner's use, misuse, occupancy or abandonment of his unit or its appurtenances.

8. Enforcement - In any proceeding to enforce any alleged liability of a unit owner arising under this or any other section of this declaration, the by-laws or the articles of incorporation of The Edgewater Condominium Owner's Association, Inc., the prevailing party shall recover the costs of the proceeding including a reasonable attorney's fee to be assessed by the court.

9. Limitation on Transfer - No unit of The Edgewater Condominium shall be directly sold, assigned or

otherwise transferred by any unit owner to any third party or other entity without such unit's having first been offered to The Edgewater Condominium Owner's Association, Inc., for purchase at the same price such third party or other entity proposes to pay for such unit, for a period of thirty days, EXCEPT THAT nothing in this paragraph or in any other part of this declaration of condominium, or in the articles of association or by-laws of The Edgewater Condominium Owner's Association, Inc., shall ever be construed as in any way limiting, restricting or prohibiting the free mortgage of a unit to a legitimate mortgagee who shall not be entitled to possession of the unit in question except in the event of foreclosure, and neither shall there be any limitation whatever on the free transfer of any unit of The Edgewater Condominium, or any interest therein, upon the death of an owner by will or by the laws of descent and distribution of any State of the United States, or any foreign country.

Upon the written tender of any unit of The Edgewater Condominium for sale to The Edgewater Condominium Owner's Association, Inc., under the terms of this paragraph, which tender shall identify that unit proposed to be sold, the person or other entity who proposes to purchase it, and the price he or it proposes to pay therefor, the failure of the association to act on such tender by purchasing such unit within thirty days shall be deemed a waiver of the association's right to purchase such unit granted by this paragraph. In addition, the association may issue a waiver of its right to such purchase, in writing, at any time. Upon the delivery of a

written tender to The Edgewater Condominium Owner's Association, Inc., as described above, for the purchase of a unit of The Edgewater Condominium under the terms of this paragraph, the unit proposed to be sold, assigned or transferred shall become immediately transferable to the proposed third party purchaser designated in the tender (and only to such purchaser) upon the expiration of thirty days from tender, or upon the association's issuance of its duly authorized written waiver of its right to purchase such unit under this paragraph, whichever first occurs. The association's right to purchase units of The Edgewater Condominium under the terms of this paragraph shall extend to and include the right to bid on and purchase any unit of The Edgewater Condominium and its contents, at any foreclosure sale, trustee's sale or similar proceeding at which any unit of The Edgewater Condominium may be offered for sale.

10. Non Enforcement - The failure of the Association or any unit owner to enforce any provision, covenant or restriction of this declaration, the articles or by-laws of The Edgewater Condominium Owner's Association, Inc., or the Alabama Condominium Ownership Act, or rule or regulation adopted pursuant thereto shall not constitute a waiver of the right thereafter to do so at any time.

ARTICLE FOURTEEN

Amendments - This declaration may be amended by the votes representing three-fourths (3/4) of the private individual units of The Edgewater Condominium, cast in person or by proxy at a meeting duly held in accordance with

the provisions of the by-laws. The notice of any meeting at which an amendment to this declaration is proposed shall be in writing and shall include specific notice of the nature and terms of the proposed amendment. No amendment may change, alter or eliminate any private individual unit, or effect any change in the percentage or fraction of the ownership of the common elements attributable to that unit, unless and until all of the owners and record mortgage holders of such unit shall have agreed to such amendment, in writing. All amendments shall become effective only upon being placed of record in the Office of the Judge of Probate, Baldwin County, Alabama.

ARTICLE FIFTEEN

The Developer reserves the right to expand The Edgewater Condominium by the addition of one additional floor, story or level to the building structure as described herein. Such floor, if built, may or may not be identical to the other seven living levels described herein, and will if built, increase the number of condominium units comprising The Edgewater Condominium by one, two, three or four additional units as the Developer, in its sole discretion, may elect. The acceptance of delivery of a unit deed, unit mortgage or blanket mortgage of one of the units of the Edgewater Condominium shall operate and be construed as a grant by the grantee(s) or mortgagee(s) of each such unit a limited power of attorney to the Developer authorizing the Developer, acting by and through its chief executive officer, to execute, for and on

behalf of such grantee(s) or mortgagee(s), any and all amendments to The Edgewater Condominium Documents (i.e. this Declaration, the By-Laws, the Articles of Incorporation of the Edgewater Condominium Owner's Association, Inc., and the engineer's certification drawings) as may be necessary to reflect the addition to The Edgewater Condominium of such additional living level and all additional condominium units contained thereon. Such limited power of attorney will include, but shall not be limited to, power in the Developer to dilute the grantee(s) or mortgagee(s) interests in the common elements of The Edgewater Condominium to a fraction smaller than the one twenty-eighth (1/28th) undivided interest per unit prescribed by this Declaration; such dilution, if required, to be such as will accurately reflect the actual interest of each unit in the common elements of The Edgewater Condominium as finally constructed.

IN WITNESS WHEREOF, Tempe, Inc., has caused this declaration to be executed by Ronald M. Kirtland, its President, this the _____ day of _____, 1981.

ATTEST:

TEMPE, INC.

Lizabeth G. Wade, Secretary

by _____ (SEAL)
Ronald M. Kirtland, President

STATE OF ALABAMA
BALDWIN COUNTY

Corporate Acknowledgment

I, the undersigned authority, in and for said county, in said State, hereby certify that Ronald M. Kirtland and Lizabeth G. Wade, whose names as President and Secretary,

respectively, of Tempe, Inc., are signed to the foregoing Declaration of Condominium of The Edgewater Condominium, and who are known to me, acknowledged before me on this day that, being informed of the contents of the Declaration, they, as such officers and with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the _____ day of _____, 1981.

Notary Public

This instrument was prepared by:

Samuel G. McKerall
Attorney at Law
P. O. Box 818
Gulf Shores, Alabama 36542

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BOOK 67 PROBATE

MISC 0102 PAGE 0768

STATE OF ALABAMA
BALDWIN COUNTY

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

WHEREAS, this is Amendment to the Declaration of Condominium of The Edgewater Condominium, said Declaration was filed for record on May 28, 1981, in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371 et seq.; as amended by instrument recorded in Miscellaneous Book 64, page 113; as further amended by instrument recorded in Miscellaneous Book 67, page 1079, et seq.; and in accordance with Article Fourteen of said Declaration, a duly authorized meeting was held on November 7, 1998 at 11:00 A.M. in Gulf Shores, Alabama, with twenty-five (25) units present, either in person or by proxy, out of a possible twenty-eight (28) Units (the 25 units present represented 25 out of a possible 28 votes) and all twenty-five (25) units present voted in favor of amending the said Declaration to DELETE the provision which provides for additional insurance coverage to cover the loss of certain "building items" located within the private elements of a condominium unit in the event of catastrophic destruction or damage caused by a casualty to more than one unit; and,

WHEREAS, it is the intention of this amendment that in the event of catastrophic destruction or damage caused by casualty to "building items", such as wallpaper, paint, light fixtures, plumbing fixtures, built-in cabinets, built-in appliances, carpets attached to the subflooring, tile, floor coverings and fixtures, which are permanently attached to the floors, walls or ceiling and located within the interior boundary of the private individual condominium units, shall be the responsibility of the individual unit owner to replace or repair such "building items". The Edgewater Condominium Owners' Association will no longer purchase insurance policies to cover the above described building items.

W I T N E S S E T H:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

in accordance with Article Fourteen of the Declaration of Condominium of The Edgewater Condominium, dated May 27, 1981, and recorded May 28, 1981 in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371-391; said Declaration of Condominium is HEREBY AMENDED as follows:

(1.) Article Twelve, Section 4(c), is hereby deleted and the following is substituted therefor in its entirety:

(c) In the event of catastrophic destruction or damage caused by the casualty to "building items", such as wallpaper, paint, light fixtures, plumbing fixtures, built-in cabinets, built-in appliances, carpets attached to the subflooring, floor tile, or floor covering as the same were installed by the original Developer or being of compatible style or quality as that was originally installed by the Developer and located within the interior boundary of the private individual condominium units of The Edgewater Condominium, it shall be the responsibility of the individual unit owner to replace or repair such "building items". It shall not be the responsibility of the Owners Association to purchase or maintain insurance policies to cover the aforementioned building items or replacements thereof.

In the event of conflict between this amendment and any part of the Declaration and By-Laws of The Edgewater Condominium Owners' Association, Inc., which relates to the above, this amendment shall be controlling.

(2.) In all other respects the above Declaration of Condominium of The Edgewater Condominium, a condominium, is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit corporation, has caused this Amendment to the Declaration of Condominium to be executed, under seal, by its duly authorized officer, whose name is set forth below, this the 10th day of December, 1998.

THE EDGEWATER CONDOMINIUM OWNERS'
ASSOCIATION, INC., an Alabama
Non-profit corporation.

ATTEST:

BY: Beth Wyke (SEAL)
Secretary

BY: [Signature] (SEAL)
President

THIS IS ACKNOWLEDGEMENT PAGE TO AMENDMENT TO DECLARATION OF
CONDOMINIUM OF THE EDGEWATER CONDOMINIUM

STATE OF Alabama
Baldwin COUNTY

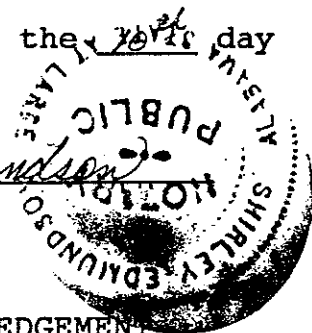
CORPORATE ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Beth Wyke whose name as Secretary of THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 20th day of December, 1998.

Shirley Edmundson
NOTARY PUBLIC

My commission expires: 9-20-99



STATE OF Alabama
Baldwin COUNTY

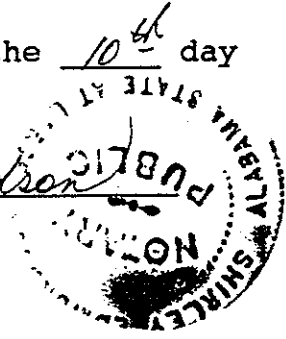
CORPORATE ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Dean Greenwald whose name as President of THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 10th day of December, 1998.

Shirley Edmundson
NOTARY PUBLIC

My commission expires: 9-20-99



This instrument prepared by:
Thomas W. Klyce, P. C.
Attorney at Law
Post Office Box 2301
Gulf Shores, Alabama 36542

W I T N E S S E T H:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

in accordance with Article Fourteen of the Declaration of Condominium of The Edgewater Condominium, dated May 27, 1981 recorded May 28, 1981 in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371 - 391; said Declaration of Condominium is HEREBY AMENDED as follows:

(1.) Article Twelve, Section 4. is hereby amended to include the following:

(c) In the event of catastrophic destruction or damage caused by casualty to "building items", such as wallpaper, paint, light fixtures, plumbing fixtures, built-in cabinets, built-in appliances, carpets attached to the subflooring, floor tile, or floor covering as the same were installed by the original Developer or being of a compatible style or quality as that was originally installed by the Developer and located within the interior boundary of the private individual condominium units of The Edgewater Condominium, it shall be the responsibility of the individual unit owner to replace or repair such "building items", EXCEPT when the damage or destruction is catastrophic or casualty and by perils insured against in the The Edgewater Condominium Owners' Association insurance policies. The Owners' Association has the responsibility to purchase insurance policies to cover the above described building items and the cost of such insurance is to be shared on a pro rata basis by the individual condominium unit owners. In the event of conflict between this amendment and any part of the Declaration and By-Laws of The Edgewater Condominium Owners' Association, Inc., which relates to the above, this amendment shall be controlling.

(2.) Article Thirteen, Paragraph 5 (a) of the Declaration is hereby deleted and the following substituted therefor in its entirety:

5. (a) If a holder of a mortgage of record or other purchaser of a unit obtains title to such unit as a result of foreclosure of the mortgage, such acquirer of title, his successors and assigns shall not be fully liable for the share of common expenses, limited common expenses, if any, or other assessments by the Association pertaining to such unit or chargeable to the former unit owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of common expenses, limited common expenses or other assessments shall be deemed to be common expenses collectable from all of the remaining unit owners including such acquirer, his successors and assigns.

(3.) In all other respects the above Declaration of Condominium of The Edgewater Condominium, a condominium, is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit corporation, has caused this Amendment to the Declaration of Condominium to be executed, under seal, by its duly authorized officers, whose names are set forth below, this the 1ST day of FEBRUARY, 1989.

A T T E S T

THE EDGEWATER CONDOMINIUM
OWNERS' ASSOCIATION,
an Alabama Non-Profit corporation.

Madge K. Dawson
Secretary

BY: Gabe S. Fountain (SEAL)
ITS: President

STATE OF ALABAMA COUNTY CORPORATE
ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Gabe S. Fountain, whose name as President of THE EDGEWATER CONDOMINIUM OWNER'S ASSOCIATION, an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal on this the 1ST day of FEBRUARY, 1989.

My commission expires: 11-23-91

NOTARY PUBLIC

This instrument prepared by:

Thomas W. Klyce
Attorney at Law
Post Office Box 2301
Gulf Shores, Al. 36542

STATE OF ALABAMA
BALDWIN COUNTY

I certify that this instrument was filed on

FEB 10 1989

and that no fee was collected. Recorded in mic
Book 64
Page 113-115 Anthony D'Almeida
Judge of Prob.
Index 100 5

MSC. 64-AGE 115

STATE OF ALABAMA
BALDWIN COUNTY

AMENDMENT TO THE DECLARATION OF CONDOMINIUM
OF
THE EDGEWATER CONDOMINIUM

WHEREAS, this is Amendment to the Declaration of Condominium of The Edgewater Condominium, said Declaration was filed for record on May 28, 1981, in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 371 - 391; and in accordance with Article Fourteen of said Declaration, a duly authorized meeting was held on October 8, 1988, at The Edgewater Condominium Gulf Shores, Alabama, with twenty-one units present, either in person or by proxy, out of a possible twenty-eight (28) units (the 21 units present represented 21 out of a possible 28 votes) and all twenty-one (21) units present voted in favor of the following: (i) amending the said Declaration to include therein a provision providing for addition insurance coverage to cover the loss of certain "building items" located within the private elements of a condominium unit in the event of catastrophic destruction or damage caused by a casualty to more than one unit; (ii) amending the said Declaration to delete a provision which allows a person who takes title to a unit as a result of a deed in lieu of foreclosure to be partial exempt from liability which became due prior to their taking title by deed in lieu of foreclosure; and,

WHEREAS, it is the intention of this amendment that in the event of catastrophic destruction or damage caused by a casualty to more than one unit of The Edgewater Condominium it would expedite the insurance claims when the damage is to "building items," such items to include, but are not to be construed as a limitation, wallpaper, built-in cabinets, built-in appliances, carpets attached to the subflooring, tile, floor coverings and fixtures, which are permanently attached to the floors, walls or ceiling and located within the interior boundary of the private individual condominium units, that such "building items" shall be included in any insurance coverage obtained in the name of The Edgewater Condominium Owners' Association; and,

WHEREAS, it is the further intention of this amendment to amend Article Thirteen, Paragraph 5 (a) to delete the wording pertaining to taking title by deed in lieu of foreclosure and thereby making the person or persons who take title by deed in lieu of foreclosure responsible for that units' share of the common expenses or other assessments which were chargeable to the former unit owner prior to the current unit owner taking title by deed in lieu of foreclosure.

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
THE EDGEWATER CONDOMINIUM OWNER'S ASSOCIATION, INC.
AN ALABAMA NON-PROFIT CORPORATION

These Articles of Amendment are made and entered into by the undersigned on this _____ day of April, 2004, in accordance with § 10-2B-10.06, Code of Ala. (1975).

ARTICLE ONE

The name of the corporation is The Edgewater Condominium Owner's Association, Inc. (the "Corporation").

ARTICLE TWO

The Articles of Incorporation of the corporation are hereby amended by deleting the text of Section 3.5 in its entirety and replacing the same with the following:

"3.5 The Corporation shall maintain forms of insurance coverage which are for the benefit of the Corporation or the unit owners by virtue of their common ownership in or control over the condominium property. The premiums for such insurance shall be assessed to the owners of the private individual units of The Edgewater Condominium on a pro rata basis, and shall constitute a part of each unit owner's liability for common expense. The Corporation shall advise each unit owner of the type and amount of insurance coverage maintained by the corporation. An insurance committee or trustee may be appointed by the Corporation and charged with responsibility for securing, maintaining and administration of the proceeds of any such insurance. No unit owner or other person or entity having an insurable risk in The Edgewater Condominium shall be precluded from obtaining additional insurance, individually at his own expense and for his own exclusive benefit, against any risk, whether or not covered by insurance maintained by the corporation. In addition, each unit owner shall maintain insurance, individually at his own expense, against any risk

a unit holder may have by virtue of his ownership of a unit in The Edgewater Condominium. Insurance maintained by the Corporation shall include but shall not be limited to coverage of the entire condominium property against loss by fire, windstorm, rainstorm, flood and such other hazards as to which the Corporation may desire insurance coverage, and liability insurance against any risk, such as death, personal injury, or damage to property, faced by unit owners or the corporation by virtue of their individual common (or limited common if any) ownership in or control over the condominium property including but not limited to the acts and omissions of the Corporation, its agents, servants and employees. Notwithstanding anything to the contrary herein or in the Bylaws of the Corporation or the Declaration of Condominium of The Edgewater Condominium, each unit owner is responsible and shall be liable for any damage which such unit owner or the unit owned by such unit owner causes to any other unit or units.

3.5 (a) In the event of loss or damage to all or any part of The Edgewater Condominium the Association shall have the power to assess the unit owners, on a pro-rata basis, for the amount by which the cost of repair of such loss or damage exceeds the amount of insurance proceeds paid or due to be paid as the result of such loss or damage.

3.5 (b) In the event of any damage to the condominium property, or any portion thereof, the Association, and each of its officers and directors, shall hold the proceeds of insurance paid as the result of such loss, and all monies assessed and collected from the unit owners pursuant to the provisions of paragraph 3.5(a) above, in trust pending formal action by full meeting of the Association unit owners, at which meeting there must be a quorum, and shall expend such monies in strict accordance with the wishes of a majority of the unit owners voting at such meeting. The trust hereby established shall be for the benefit of the unit owners and, in the case of mortgaged units, by their respective mortgagees."

ARTICLE THREE

There are members of the Corporation entitled to vote on the foregoing amendment. The foregoing amendment was duly adopted by the members and directors of the Corporation in the manner prescribed by law at a meeting of the members held on April ____, 2004, whereby a quorum was present at such meeting, and the foregoing amendment received at least two-thirds (2/3) of the votes entitled to be cast by members present or represented by proxy at such meeting.

IN WITNESS WHEREOF, the undersigned has caused these Articles of Amendment to be executed by its duly authorized officer on the day and year first above written.

THE EDGEWATER CONDOMINIUM OWNER'S
ASSOCIATION, INC.

By: _____


ALEX THERIOT, JR.
Its President

THIS INSTRUMENT PREPARED BY:

Steven C. Pearson, Esq.
Hand Arendall, L.L.C.
112 West Laurel Avenue
Foley, Alabama 36535
(251) 970-5511

SPECIAL NOTICE OF SEMI-ANNUAL MEETING
OF MEMBERS OF THE EDGEWATER CONDOMINIUMS
OWNERS ASSOCIATION, INC.

April 2, 2004

Date of Meeting: April 24, 2004
Time of Meeting: 11:00 a.m.
Place of Meeting: The Edgewater Condominiums
Gulf Shores, Alabama

To the Members of the Edgewater Condominium Owners Association, Inc.:

Special Notice is hereby given that, at the semi-annual meeting, at the date, time and place first set forth above, the Members of the Edgewater Condominium Owners Association, Inc. will be presented with Articles of Amendment to the Articles of Incorporation of the Edgewater Condominium Owners Association, Inc. which is attached as Exhibit "A" (the "Amendment"), which will be voted upon by the Members at said meeting. The Amendment has been recommended and adopted by the Board of Directors of the Edgewater Condominium Owners Association, Inc.

Alex Theriot, Jr.
President

STATE OF ALABAMA

BALDWIN COUNTY

ARTICLES OF INCORPORATION
OF
THE EDGEWATER CONDOMINIUM
OWNER'S ASSOCIATION, INC.
A NON-PROFIT CORPORATION

We, the undersigned persons of lawful age, for the purpose of becoming a non-profit body corporate for the management of the common affairs and expenses of The Edgewater Condominium, a condominium in Gulf Shores, Alabama, formed simultaneously herewith pursuant to the provisions of §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975 [hereinafter referred to as the Alabama Condominium Ownership Act] do hereby make, adopt and file these articles of incorporation pursuant to the provisions of the Alabama Non-Profit Corporation Act [§§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975].

ARTICLE ONE

Name

1.1 The name of the corporation is Edgewater Condominium Owner's Association, Inc.

ARTICLE TWO

Duration

2.1 The duration of the corporation shall be perpetual.

ARTICLE THREE

Objects, Purposes and Powers

3.1 The nature and business of the corporation

and the objects and purposes for which it is formed are as follows:

3.2 The corporation shall manage and administer the common affairs and expenses of The Edgewater Condominium, a condominium in Gulf Shores, Alabama, formed simultaneously herewith pursuant to the provisions of the Alabama Condominium Ownership Act [§§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975] and, to that end, shall arrange for goods, services, utilities and insurance coverage for the joint enjoyment, benefit, and protection of the owners of The Edgewater Condominium and their respective real interests of ownership therein.

3.3 The corporation shall maintain, repair, replace, clean and sanitize the common elements of The Edgewater Condominium, as necessary.

3.4 The corporation shall assess and collect funds from the owners of the private individual units of The Edgewater Condominium and shall utilize such funds to pay for the common expenses (and limited common expenses, if any) of The Edgewater Condominium. Such expenses shall include, but shall not be limited to, garbage service, sewer service, water service, the lighting of common areas, and grounds, elevator, pool and general maintenance and listing for taxation with respect to common areas, if required by law, for the benefit of The Edgewater Condominium. The corporation shall not arrange or be responsible for utilities or services benefitting solely private individual units of The Edgewater Condominium. Any surplus of funds so assessed in excess of

such expenses at the end of any accounting period shall be retained by the corporation or refunded pro-rata to the owners of private individual units of The Edgewater Condominium, as the corporation's board of directors may elect.

3.5 The corporation shall maintain forms of insurance coverage which are for the benefit of the unit owners. The premiums for such insurance shall be assessed to the owners of the private individual units of The Edgewater Condominium on a pro rata basis, and shall constitute a part of each unit owner's liability for common expense. The corporation shall advise each unit owner of the type and amount of insurance coverage maintained by the corporation. An insurance committee or trustee may be appointed by the corporation and charged with responsibility for securing, maintaining and administration of the proceeds of any such insurance. No unit owner or other person or entity having an insurable risk in The Edgewater Condominium shall be precluded from obtaining additional insurance, individually at his own expense and for his own exclusive benefit, against any risk, whether or not covered by insurance maintained by the corporation. Insurance maintained by the corporation shall include but shall not be limited to coverage of the entire condominium property against loss by fire, windstorm, rainstorm, flood and such other hazards as to which the corporation may desire insurance coverage, and liability insurance against any risk, such as death, personal injury, or damage to property, faced by unit owners or the corporation

by virtue of their individual common (or limited common if any) ownership in or control over the condominium property including but not limited to the acts and omissions of the corporation, its agents, servants and employees.

3.5 (a) In the event of loss or damage to all or any part of The Edgewater Condominium the Association shall have the power to assess the unit owners, on a pro-rata basis, for the amount by which the cost of repair of such loss or damage exceeds the amount of insurance proceeds paid or due to be paid as the result of such loss or damage.

3.5 (b) In the event of any damage to the condominium property, or any portion thereof, the Association, and each of its officers and directors, shall hold the proceeds of insurance paid as the result of such loss, and all monies assessed and collected from the unit owners pursuant to the provisions of paragraph 3.5 (a), above, in trust pending formal action by full meeting of the Association unit owners, at which meeting there must be a quorum, and shall expend such monies in strict accordance with the wishes of a majority of the unit owners voting at such meeting. The trust hereby established shall be for the benefit of the unit owners and, in the case of mortgaged units, by their respective mortgagees.

3.6 The corporation shall exercise the right of access to the private individual units of The Edgewater Condominium granted it by the Declaration of Condominium of The Edgewater Condominium during reasonable hours and upon prior notice (except during emergencies) as may be necessary for the maintenance, repair or replacement of any common elements

(or limited common elements, if any) therein or accessible therefrom or for making emergency repairs necessary to prevent damage to any other unit or units, or common areas.

3.7 The corporation may purchase units in The Edgewater Condominium and otherwise acquire, hold, lease mortgage and convey the same. It may also lease or license the use of the common elements (and limited common elements, if any) in a manner not inconsistent with the rights of the owners of the private individual units of The Edgewater Condominium.

3.8 The corporation may acquire or enter into agreements whereby it acquires personal property, real property, leaseholds, memberships, units or other possessory or use interests in lands, facilities, services or utilities.

3.9 The corporation may enter into agreements by which its powers and responsibilities or some of them may be exercised or performed by some other person or persons.

3.10 The corporation shall have perpetual succession by its corporate name.

3.11 The corporation shall sue and be sued complain and defend, in its corporate name.

3.12 The corporation may have a corporate seal which may be altered at pleasure, and may use the same by causing it, or a facsimile thereof, to be impressed or affixed in a convenient manner.

3.13. The corporation may purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, pledge or otherwise dispose of, and

otherwise use and deal in and with shares or other interests in, or obligations of, other corporations, associations, partnerships or individuals, whether such entities be for profit or not for profit, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district, county or municipality, or of any instrumentality organized under the auspices, powers or permission thereof.

3.14 The corporation may make contracts and incur liabilities, borrow at such rates of interest as the corporation may determine, issue notes, bonds or other obligations, and secure any of its obligations by mortgage, or pledges of any or all of its property, franchises and income. Nothing in this paragraph shall be construed as conferring upon the corporation any interest of ownership in any part of The Edgewater Condominium, whether private or common elements (or limited common elements, if any); this corporation's sole interest with respect to The Edgewater Condominium being limited to the administration and management of the common affairs of the separate individual owners of the private individual units of The Edgewater Condominium.

3.15 The corporation may lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for payment for funds so loaned or invested.

3.16 The corporation may conduct its affairs, carry on its operations, and have offices and exercise the

powers granted by the Alabama Non-Profit Corporation Act [§§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975] and the Alabama Condominium Ownership Act [§§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975] in any state, territory, district or possession of the United States, or in any foreign country.

3.17 The corporation may elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

3.18 The corporation may make and alter by-laws, not inconsistent with these articles, the Declaration of Condominium of The Edgewater Condominium, the laws of the State of Alabama, or the United States, for the administration and regulation of the affairs of the corporation and of The Edgewater Condominium.

3.19 The corporation may indemnify any director or officer or former director or officer of the corporation, any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by such person in connection with the defense of any action, suit or proceeding in which such person is made a party by reason of being or having been such director or officer, except in relation to such matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty; but such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled, under any by-laws, agreement, vote of board of directors or members, or otherwise.

3.20 The corporation may cease its corporate activities and surrender its corporate franchise at any time subsequent to the termination of The Edgewater Condominium pursuant to the provisions of the Alabama Condominium Act, § 35-8-20 CODE OF ALABAMA 1975; and shall have and exercise all other powers, rights and duties necessary or convenient to the furtherance of any or all of the purposes for which the corporation is organized, including those set forth in the provisions of the Alabama Non-Profit Corporation Act and the Alabama Condominium Ownership Act, whether or not specifically set forth or enumerated in these articles.

ARTICLE FOUR

Limitation on Powers

4.1 Any income received by the corporation shall be applied only to the non-profit purposes and objectives of the corporation as set forth above, and no part thereof, during membership or upon termination of membership, shall inure to the benefit of any private member or individual.

4.2 The corporation shall not engage in any transaction prohibited by § 503(c) of the United States Internal Revenue Code as now enacted or as hereafter amended, or the Alabama Non-Profit Corporation Act, or the Alabama Condominium Ownership Act.

4.3 The corporation shall not apply accumulation of income in any manner which may subject it to denial of exemptions as provided by § 504 of the United States Internal Revenue Code as now enacted or as hereafter amended.

4.4 No part of the activities of the corporation

shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in, (including the publication and distribution of statements) any political campaign on behalf of any candidate for public office.

4.5 If, at any time, the corporation shall cease to carry out the purposes herein stated, all assets and property held by it, whether in trust or otherwise, shall after the payment of its liabilities, be paid over to an organization which itself has similar purposes and has established an appropriate tax-exempt status under § 501(c)(3) of the United States Internal Revenue Code as now enacted or as hereafter amended, and shall be applied exclusively for the purposes set forth above.

4.6 The corporation shall not serve as advertising or rental agent for the owners in the ordinary course of its business. This provision shall not prevent the corporation from referring prospective renters to the various owners on a rotating or some other equal basis, but under no circumstances shall the corporation receive and pool rental income for distribution to the owners on any basis other than according to the actual rental income generated by each individual unit. This paragraph may not be amended except by unanimous vote of the owners. In the event of such amendment, each owner, whether or not a designated voting member of the corporation, shall sign a certificate to be held in the corporate files acknowledging that the pooling of rental income may subject their interests of ownership in The Edgewater

Condominium to registration under the federal securities acts and the Alabama Blue Sky Laws.

ARTICLE FIVE

Membership and Voting

5.1 There shall be twenty eight units of membership in The Edgewater Condominium Owner's Association, Inc., each unit corresponding to one of the twenty eight private individual units of The Edgewater Condominium. A unit deed to one of the twenty eight private individual units of The Edgewater Condominium from the Developer or some person or entity holding through, under or in direct chain of title from The Developer shall be conclusive evidence of membership in the corporation and shall serve as a certificate of membership therein.

5.2 When one of the twenty eight units of membership in the corporation is jointly or severally owned by two or more persons or other separate legal entities a majority of the collective owners of that unit shall advise the secretary of the corporation, in writing, of the name of some person, who may but need not be one their number, designated by them to exercise and cast the vote attributable to their unit, and the secretary shall enter such written designation, and such name, in a book kept for that purpose. The Edgewater Condominium Owner's Association, Inc., shall be entitled to rely on such designation, and shall recognize as entitled to so vote only those twenty eight persons who shall have been so designated as voters, notwithstanding that persons or other entities other than those so designated may have

various interests of ownership in the individual units from time to time. The majority of the owners of any private individual unit may redesignate, at any time, any person, whether or not an owner, as entitled to exercise the vote of that unit by so notifying the secretary of The Edgewater Condominium Owner's Association, Inc., in writing. The corporation shall recognize only the vote of the last person so designated by a majority of the owners of such unit of The Edgewater Condominium.

5.3 The granting of a mortgage on a unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such unit at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the unit owner(s) of mortgaged units as fully entitled to cast the vote or votes attributable to their unit. However, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that unit shall be recognized by the Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

5.4 In the event of conflict between the provisions of subparagraphs 5.1, 5.2 and 5.3, above, the provisions of

subparagraph 5.3 shall be controlling.

ARTICLE SIX

Officers

6.1 The officers of the corporation shall consist of a president, vice president, secretary, treasurer and registered agent, and such other officers or assistant officers as may be deemed necessary by the directors. The offices of president and secretary may not be held by the same individual, but all other offices may be combined in any manner the members see fit. The officers may, but need not be, members of The Edgewater Condominium Owner's Association, Inc., or owners of all or part of any unit of The Edgewater Condominium. They must, however, be among those designated as voters pursuant to the provisions of paragraph 5.2, 5.3 or 5.4 of these articles. The initial officers shall be selected by the incorporators and shall serve until such time as the Developer has completed and sold at least twenty of the twenty eight units of The Edgewater Condominium. Within thirty (30) days of the Developer's closing of the sale of the twentieth (20th) unit of The Edgewater Condominium the Developer shall call an initial meeting of the members of The Edgewater Condominium. At such and all subsequent meetings of the members of The Edgewater Condominium Owner's Association, Inc., the Developer shall hold and exercise the votes of all unsold units of The Edgewater Condominium to which it continues to hold title at the time of such meeting or meetings. Subsequent to said initial meeting the officers

elected shall serve in such manner and for terms, not exceeding three (3) years, as may be prescribed in the corporation's by-laws. The initial officers of the corporation, as selected by the incorporators, are as follows:

<u>Officers</u>	<u>Addresses</u>	<u>Positions</u>
Ronald M. Kirtland	P. O. Box 997 Gulf Shores, Alabama 36542	President
R. Lonnie Flippo	P. O. Box 87 Florence, Alabama 35630	Vice President, Treasurer, and Registered Agent
Lizabeth G. Wade	P. O. Box 879 Gulf Shores, Alabama 36542	Secretary

ARTICLE SEVEN

Directors

7.1 The initial board of directors shall consist of the incorporators, whose names are set forth below, who shall serve for initial terms which expire when their replacements are selected and qualified or thirty (30) days subsequent to the Developer's sale of twenty (20) private individual units of The Edgewater Condominium, whichever first occurs. Thereafter, the board of directors shall consist of the corporation's president, immediate past president, vice president, secretary, treasurer and two additional directors to be selected by the members in a manner to be prescribed by the by-laws. Within thirty (30) days of the Developer's sale of the twentieth (20th) unit of The Edgewater Condominium the Developer shall call an initial meeting of the members of The Edgewater Condominium Owner's Association, Inc., which meeting shall be for the purpose of electing officers and directors of the corporation. At such and all subsequent

meetings of the members of The Edgewater Condominium Owner's Association, Inc., the Developer shall hold and exercise the votes of all unsold units of The Edgewater Condominium to which it continues to hold title at the time of such meeting or meetings. Subsequent to said initial meeting the directors elected shall serve in such manner and for terms, not exceeding three (3) years, as may be prescribed in the by-laws. In order to assure continuity of management the non-officer directors may be divided into classes according to non-uniform terms of office. Each director shall hold office for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified.

7.2 A director may be removed from office prior to the expiration of his or her term, upon two-thirds (2/3) vote of the other directors and written notice, by certified mail, to such removed director. Vacancies occurring in the board of directors for any reason shall be filled by appointment by the remaining directors, such appointed director to serve for the unexpired term of his predecessor in office.

7.3 The board of directors shall have control and management over the corporation's activities, determine all policies, discipline and assess members, and generally supervise the affairs of the corporation. The board of directors may, by resolution adopted by a majority of the directors in office, designate one or more committees each of which shall consist of two or more directors, which committees, to but only to the extent provided in such

resolution, shall have and exercise the authority of the board of directors in the management of the corporation.

7.4 The initial directors of the corporation, with their respective addresses, are as follows:

<u>Directors</u>	<u>Addresses</u>
Ronald M. Kirtland	P. O. Box 997 Gulf Shores, Alabama 36542
R. Lonnie Flippo	P. O. Box 87 Florence, Alabama 35630
Lizabeth G. Wade	P. O. Box 879 Gulf Shores, Alabama 36542

ARTICLE EIGHT

Registered Office and Agent

8.1 The registered office of the corporation shall be Holk Office Building, Highway 59 South, Gulf Shores, Alabama 36542. Its mailing address shall be Post Office Box 879, Gulf Shores, Alabama 36542, as aforesaid.

8.2 The registered agent of the corporation shall be R. Lonnie Flippo, whose address is Holk Office Building, Highway 59 South, Gulf Shores, Alabama 36542. His mailing address is Post Office Box 87, Florence, Alabama 35630.

ARTICLE NINE

Incorporators

9.1 The names and addresses of the incorporators of The Edgewater Condominium Owner's Association, Inc., are as follows:

<u>Incorporators</u>	<u>Addresses</u>
Ronald M. Kirtland	P. O. Box 997 Gulf Shores, Alabama 36542

Incorporators

Addresses

R. Lonnie Flipppo

P. O. Box 87
Florence, Alabama 36530

Lizabeth G. Wade

P. O. Box 879
Gulf Shores, Alabama 36542

ARTICLE TEN

Amendments

10.1 These Articles may be amended by the votes representing three-fourths (3/4) of the twenty eight units of membership of The Edgewater Condominium Owner's Association, Inc., cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. The notice of any meeting at which an amendment to these Articles is proposed shall be in writing and shall include specific notice of the nature and terms of the proposed amendment. No amendment may change, alter or eliminate any private individual unit, or effect any change in the percentage or fraction of the ownership of the common elements of that unit, unless and until all of the owners and record mortgage holders of such unit shall have agreed to such amendment, in writing. All amendments shall become effective only upon being placed of record in the Office of the Judge of Probate, Baldwin County, Alabama.

IN WITNESS WHEREOF, the undersigned incorporators of The Edgewater Condominium Owner's Association, Inc., have subscribed their names to these Articles of Incorporation this the _____ day of _____, 1981.

Ronald M. Kirtland (SEAL)

_____(SEAL)
R. Lonnie Flippo

_____(SEAL)
Lizabeth G. Wade

STATE OF ALABAMA

BALDWIN COUNTY

Certification of Incorporation

I, the undersigned Judge of Probate of Baldwin County, Alabama, hereby certify that the Articles of Incorporation of The Edgewater Condominium Owner's Association, Inc., have this day been filed for record in the Probate Court of Baldwin County, Alabama, that the same has been examined and approved by me as being in compliance with the Alabama Non-Profit Corporation Act, §§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975, and the Alabama Condominium Ownership Act, §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975, both as last amended, and that the incorporators of said corporation, their successors and assigns, constitute a body corporate under the name set forth in said certificate, namely, The Edgewater Condominium Owner's Association, Inc.

IN WITNESS WHEREOF, I, the said Judge of Probate of Baldwin County, Alabama, hereunto set my name and affix my seal of said Probate Court on this the ____ day of _____, 1981.

JUDGE OF PROBATE
Baldwin County, Alabama (SEAL)

STATE OF ALABAMA
BALDWIN COUNTY

RECORD FEE 10.00
STATE OF ALABAMA
BALDWIN COUNTY
I CERTIFY THIS INSTRUMENT WAS
FILED AND TAXES COLLECTED ON

OCT 23 12 35 PM '90

AMENDMENT TO THE BY-LAWS
OF
THE EDGEWATER CONDOMINIUM OWNERS ASSOCIATION, INC. 82

DEED
NOTARY
RECORD
JUDGE OF PROBATE

WHEREAS, this is an Amendment to the By-laws of The Edgewater Condominium Owners Association, Inc., an Alabama non-profit corporation, filed for record on May 28, 1981, in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 39, pages 392, et seq.; and in accordance with Section 30 of said By-Laws and Article eight of the Declaration of Condominium (said Declaration being recorded in Miscellaneous Book 39, pages 354, et seq.) a duly authorized meeting was held on April 7, 1990, at The Edgewater Condominiums, West Beach Blvd., Gulf Shores, Alabama, with twenty two (22) units present, either in person or by proxy, out of a possible twenty eight (28) units (the 22 units present represented 22 votes of a possible 28 votes) and all units present voted in favor of the following; (i) amending the said By-laws to include therein a provision providing authorizing the Association collect a late charge in the amount of \$10.00 for any monthly maintenance fee assessed against any individual condominium unit which is not paid to the Association by the 15th of the month in which it is due; (ii) amending the said By-laws to provide for the collection of a service charge in the amount of 18% percent per annum on all unpaid and delinquent maintenance fees or special assessments; any payment received by the Association during a period in which a unit is delinquent shall first be applied to the payment of outstanding service charges, then to late charges, then to special assessments, if any, and the balance to monthly maintenance fees; (iii) amend the said By-laws to provide for a method in which a unit owner can petition the Board of Directors for an extension of time within which to pay outstanding maintenance fees or special assessments without incurring late charges and service charges; (iv) amend the said by-laws to provide that once a unit owner is ninety days or more delinquent in payment of assessments, either monthly maintenance or special, the Association may, at its' sole discretion, take legal proceedings against the unit owner, without any prior notice to said unit owner, and said unit owner shall be personally obligated to said Association for all cost of collection, including a reasonable attorneys fee, incurred by the Association for the collection of said assessments and said Association shall have a lien against the individual condominium unit for the assessments, late charges, services charges, and all cost of collection, including the attorney's fees; (v) amend the said by-laws to authorize the Association, by and through its Board of Directors, to suspend the privileges of any unit owner, his/her guests, renters or invitees to use the common areas, including but not limited to the swimming pool, patio areas, parking area, stairwells, elevators, cable television, of The Edgewater condominium, which is ninety days or more delinquent in payment of assessments and in furtherance thereof to post notice

MISC 67 PAGE 1079

of said suspension on the door of the individual condominium unit which is delinquent and to notify any rental agent which is renting the unit of said suspension; (vi) amend the said by-laws to change the annual meeting of the Association's members from January to April, the date of which shall be set by the Board of Directors with notification to the members being at least one (1) month prior to said meeting and to further allow for a semi-annual meeting of the members in the month of October of each year; (vii) amend the said by-laws to change the number of regular Directors meetings from quarterly to semi-annually.

W I T N E S S E T H:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

the By-laws as described above are HEREBY AMENDED as follows:

(1.) Section 16 of the By-laws is hereby amended to include the following:

(a) ASSESSMENTS FOR COMMON EXPENSES - Assessments for the common expenses of The Edgewater Condominium, including special assessments, shall be due and collectible on a monthly basis. Assessments shall be due the first day of each month and shall be considered late if not received by the Association or the collection entity for the Association before the sixteenth day of each month. Should any unit owner be late in any assessment, a late charge of \$10.00 shall be added to said assessment and owed by the unit owner. Any assessment which is not paid within thirty (30) calendar days shall be considered delinquent, except that any unit owner can petition the Board of Directors for an extension of time, as more fully set out below. Moreover, any assessment that is delinquent shall bear interest at the rate of eighteen percent (18%) per annum, and such interest shall be the personal obligation of the delinquent unit owner to pay. Additionally, should the Association employ an attorney, or any other person or entity, to collect any amounts which are ninety (90) days delinquent, the unit owner shall be personally liable to the Association for all costs of collection, including a reasonable attorneys fee.

Any payment received by the Association or the collection entity for the Association, during a period in which a unit owner is delinquent shall first be applied to the payment of outstanding interest, then to late charges, then to special assessments, if any, and the balance to monthly maintenance fee. In the event any delinquent account is sent for collection, any payment received by the Association or the collection entity for the Association shall first be applied to expenses incurred for collection, then to payment of outstanding interest, then to late charges, then to special assessments, if any, and the balance to monthly maintenance fees.

Prior to becoming delinquent, any unit owner can petition, in writing, the Board of Directors for an extension of time within which to pay assessments without being delinquent. Said petition must be presented to the Board, at least 10 days prior to being delinquent, and should state clearly the unit owners reasons for desiring an extension. The Board shall act on each request for an extension within 10 days from receipt of the petition and notify the unit owner, either verbally or in writing of the Boards decision. Any decision of the Board is final and unless stated in writing by the Board, no extension shall be for a period of more than thirty (30) days. During any authorized extension, no late charges or interest shall accrue against the assessment.

Should assessments be delinquent for any unit for ninety (90) days or more, or should any unit owner have failed to pay any late charge, cost of collection or interest, after being given written notice of same, the Association shall be authorized, through its' Board of Directors to suspend the privileges of said delinquent unit owner, his/her guests, invitees, lessees or renter to use the common areas, including but not limited to, the swimming pool, patio areas, parking areas, stairwells, elevators, or cable television of the Edgewater Condominium. In furtherance thereof to post notice of said suspension on the door of the condominium unit which is owned by the delinquent unit owner and in other areas of said common areas. The Association is authorized to notify any known rental agent handling the delinquent unit of said suspension.

The Association shall have a lien on each unit for any unpaid assessments, together with late charges and interest thereon and for cost of collection, including a reasonable attorney's fees, and such lien shall be enforceable in accordance with Section 35-8-17 of the Code of Alabama (1975).

(2.) Section 4 of the By-Laws is hereby deleted and the following substituted therefor in its entirety:

4. There shall be an annual meeting of the members of the corporation held each year during the month of April and a semi-annual meeting of the members of the corporation held each year during the month of October, the dates of which shall be set by the Board of Directors. Notice of the date, place and time of each annual, or semi-annual meeting, shall be mailed to each member (whether or not designated as a voting member) by the secretary, or any other entity approved by the Board of Directors, not less than thirty (30) days nor more than sixty (60) days prior to the meeting. Notice mailed to a member's last known address as shown in the corporate records shall be deemed sufficient. The members shall have and assume responsibility to notify the corporation's secretary of their current mailing addresses.

(3.) Section 12 of the By-Laws is hereby deleted and the following substituted therefor in its entirety:

12. There shall be a regular meetings of the Board of Directors at least twice a year, or once each month if the directors so elect, and immediately prior to and following all meetings of the members

(4.) In all other respects the above By-Laws of The Edgewater Condominium Owners Association, Inc., is hereby reaffirmed and ratified.

IN WITNESS WHEREOF, THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC., an Alabama Non-Profit corporation, has caused this Amendment to the By-Laws be executed, under seal, by its duly authorized officer, whose name is set forth below, this the 22ND day of OCTOBER, 1990.

THE EDGEWATER CONDOMINIUM OWNERS' ASSOCIATION, INC.
an Alabama Non-Profit corporation.

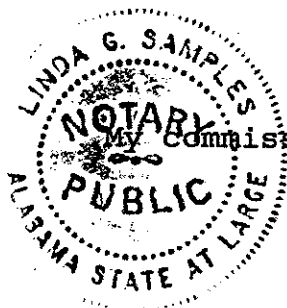
BY: [Signature] (SEAL)
ITS: President

STATE OF ALABAMA
BALDWIN COUNTY

CORPORATE ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Beau I. Greenwald, whose name as President of THE EDGEWATER CONDOMINIUM OWNER'S ASSOCIATION, an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 22ND day of OCTOBER, 1990.



My Commission expires: 3-3-93

Linda G. Samples
NOTARY PUBLIC

DEED
RECORDED IN
BOOK 67 PAGE 1082
JERRY SAMPSON
JUDGE OF PROBATE

OCT 23 11 29 AM '90

STATE OF ALABAMA
BALDWIN COUNTY
I CERTIFY THIS INSTRUMENT WAS
FILED AND TAXES COLLECTED ON

MISC
67 PAGE 1082

RECORD FEE
10 00

*Passed April 7, 1970
Board of Directors
meeting
10:00 AM*

EDGEWATER CONDOMINIUM

SUBJECT: RULE PROPOSAL FOR DELINQUENT ACCOUNTS

1. THERE WILL BE A \$10.00 LATE CHARGE ADDED TO ALL MONTHLY DUES PAYMENTS NOT PAID BY THE 15TH OF THE MONTH.
2. WHEN AN OWNER/OWNERS BECOME DELINQUENT IN PAYING THE MONTHLY DUES OR SPECIAL ASSESSMENTS AND OWES A DELINQUENT BALANCE TO THE CONDO ASSOCIATION, THE CONDO ASSOCIATION MAY IMPOSE A MONTHLY PENALTY OR SERVICE CHARGE OF 1.5% OF THE UNPAID BALANCE DUE TO THE ASSOCIATION UNTIL ALL DELINQUENT FEES AND PENALTY ASSESSMENTS ARE PAID IN FULL TO THE ASSOCIATION. PAYMENTS MADE ON DELINQUENT ACCOUNTS WILL FIRST BE GIVEN CREDIT FOR THE LATE CHARGES AND PENALTY INTEREST, AND THEN CREDIT WILL BE GIVEN TO THE OUTSTANDING BALANCE OWED TO THE ASSOCIATION FOR DUES AND SPECIAL ASSESSMENTS.
3. WHEN THE OWNER/OWNERS BECOME DELINQUENT IN EXCESS OF NINTY (90) DAYS, THE ASSOCIATION MAY TAKE LEGAL PROCEEDINGS AGAINST THE OWNER/OWNERS FOR ALL OUTSTANDING INDEBTNESS, INCLUDING BUT NOT LIMITED TO, ALL LEGAL FEES, COURT COSTS, ETC., THAT MAY BE INCURRED. THIS ACTION MAY BE TAKEN WITHOUT PRIOR NOTICE TO DELINQUENT OWNER/OWNERS.
4. FOR THE PURPOSE OF THIS RULE, DELINQUENCY SHALL MEAN ANY BALANCE OWED TO THE CONDO ASSOCIATION THIRTY (30) CALENDAR DAYS FROM BILLING DATE.
5. ANYTIME PRIOR TO DELINQUENT DATE THE OWNER/OWNERS MAY PETITION TO THE ASSOCIATIONS BOARD OF DIRECTORS FOR AN EXTENSION OF TIME. THE PETITION MUST BE IN WRITING GIVING A CLEAR, CONCISE, AND FACTUAL EXPLANATION AS TO WHY ADDITIONAL TIME IS NEEDED. THE PETITION MUST BE IN THE POSSESSION OF THE BOARD OF DIRECTORS AND ACTED ON BY THEM PRIOR TO THE EXPIRATION OF THE DELINQUENCY DATE. UNLESS OTHERWISE APPROVED BY THE BOARD OF DIRECTORS, EXTENSIONS WILL BE LIMITED TO THIRTY (30) CALENDAR DAYS.

THIS RULE IS NOT INTENDED FOR THE PURPOSE OF CHANGING, AMENDING OR ELEMENATING ANY BY-LAW, LAW, RULE OR REGULATION CURRENTLY IN EFFECT AT THE EDGEWATER CONDOMINIUM ASSOCIATION.

STATE OF ALABAMA

BALDWIN COUNTY

BY-LAWS
OF
THE EDGEWATER CONDOMINIUM
OWNER'S ASSOCIATION, INC.
A NON-PROFIT CORPORATION
FORMED PURSUANT TO
THE PROVISIONS OF
THE ALABAMA NON-PROFIT CORPORATION ACT
AND
THE ALABAMA CONDOMINIUM OWNERSHIP ACT

PREAMBLE

These are the by-laws of The Edgewater Condominium Owner's Association, Inc., a non-profit corporation formed pursuant to the provisions of The Alabama Non-Profit Corporation Act, §§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975 and The Alabama Condominium Ownership Act, §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975. These are also the by-laws of The Edgewater Condominium. These by-laws, the Declaration of Condominium of The Edgewater Condominium, Gulf Shores, Alabama, and the Articles of Incorporation of The Edgewater Condominium Owner's Association, Inc., are hereby simultaneously filed in the Probate Office of Baldwin County, Alabama, pursuant to the various requirements of the aforementioned statutes. The Edgewater Condominium Owner's Association, Inc., has been formed pursuant to the provisions of said statutes for the purpose of administering The Edgewater Condominium, Gulf Shores, Alabama, which condominium is and shall be located on the following real property located in Baldwin County,

Gulf Shores, Alabama, to wit:

Lot 25, Block 3, Unit 2 of Gulf Shores, Alabama, according to the map or plat thereof recorded in the Office of the Judge of Probate, Baldwin County, Alabama, in Map Book 1, page 166.

OFFICES

1. The principal office and mailing address of The Edgewater Condominium Owner's Association, Inc., shall be Holk Office Building, Highway 59 South, Gulf Shores, Alabama, 36542. Its mailing address shall be P. O. Box 879, Gulf Shores, Alabama 36542. The corporation may also have offices in such other places as the Board of Directors may from time to time appoint or the business of the corporation may require.

MEMBERS' MEETINGS

2. All meetings of the members shall be held at The Edgewater Condominium, Gulf Shores, Alabama; PROVIDED, HOWEVER, that meetings of the members may be held at such other places within the State of Alabama as may be selected by the Board of Directors upon notice to all members of record of the time and place of holding such meetings.

3. At all meetings of the members of the corporation there shall be recognized one vote for each of the twenty eight private individual units of The Edgewater Condominium. Each unit owner, or group of owners of a unit, if more than one, shall advise the secretary of the corporation of the name of the person entitled to exercise such vote and the secretary shall enter such name in a book kept for that purpose. The corporation shall be entitled to rely on such advice and

shall recognize as entitled to cast unit votes only those persons who have been so designated as voters, notwithstanding that persons other than those so designated shall have various interests of ownership in the individual units from time to time. The majority of the owners of a unit may redesignate, at any time, any person, whether or not an owner, as the person entitled to exercise the vote of that unit, by so notifying the secretary of the corporation, in writing. The corporation shall recognize only the vote of the last person so designated, in writing, by a majority of the owners of each unit.

3. (a) "The granting of a mortgage on a unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such unit at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the unit owner(s) of mortgaged units as fully entitled to cast the vote or votes attributable to their unit. However, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that unit shall be recognized by the Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs."

4. There shall be an annual meeting of the members of the corporation held each year during the month of January, the date of which shall be set by the Board of Directors. Notice of the date, place and time of each annual meeting shall be mailed to each member (whether or not designated as a voting member) by the secretary, by certified mail, not less than ten (10) nor more than sixty (60) days prior to the meeting. Notice mailed to a member's last known address as shown in the corporate records shall be deemed sufficient. The members shall have and assume responsibility to notify the corporation's secretary of their current mailing addresses.

5. At the annual meeting the voting members shall elect officers and directors and transact such other business as may properly be brought before the meeting.

6. The majority of the voting representatives of the twenty eight units of membership of The Edgewater Condominium, present in person or by proxy, shall be requisite and shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, by the Declaration of Condominium, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the members, the voting representatives entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting until the requisite number of voting representatives shall be present. At such adjourned

meeting at which the requisite number of voting representatives shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

7. At each meeting of the members every voting representative shall be entitled to one vote, to be cast in person, or by proxy appointed by instrument in writing subscribed by each member owner of the voting unit in question, and bearing a date not more than three (3) years prior to said meeting, unless said instrument provides for a longer period. The votes for officers and directors, and upon the demand of any member the vote upon any question before the meeting shall be by secret ballot. All elections shall be had and all questions decided by a majority vote, except as otherwise specifically provided by law, by the Articles of Incorporation, by the Declaration of Condominium, or by these By-Laws. Members who are not voting representatives shall be recognized and allowed to participate in the discussion regarding all questions which may come before the meeting.

8. Special meetings of the members may be called by the president, or shall be called by the president or secretary at the request in writing of any two directors or any ten members. All such requests for special meetings, and all notices thereof, shall state the purpose of the proposed meeting.

DIRECTORS

9. The property and business of this corporation shall be managed by its Board of Directors, which shall never be less than three (3) in number. Directors need not

be members, but must be either members, voting representatives, or both. Prior to the meeting of the members required to be called by the Developer by paragraph 6.1 of the Articles of Incorporation as soon as twenty of the twenty eight condominium units have been sold, the directors shall consist of the incorporators. From and after the initial meeting of the members of the corporation, called as required by paragraph 6.1 of the Articles of Incorporation, the directors shall consist of the corporation's president, immediate past president, vice president, secretary, treasurer, and two additional directors to be selected by the voting representatives. The term of office of one such non-officer director shall expire at the next annual meeting held in an even numbered year, and the term of the other shall expire at the next annual meeting held in an odd numbered year. Thereafter, each non-officer director shall be elected for a term of two years. All other directors shall serve for terms as directors coextensive with their terms as officers.

10. Directors shall not receive any salary for their services, but by resolution of the Board of Directors they may be reimbursed for their expenses of attendance, if any, at each regular or special meeting of the Board of Directors.

11. Any one or more of the directors may be removed, either with or without cause, at any time by a vote of more than two-thirds (2/3) of the directors then holding office, but such removal shall be null and void and of no force and effect unless and until the same shall be ratified

by a majority of the voting representatives voting at the next meeting of the members following such vote of removal by the directors. In the event of such removal the removed director or directors shall be so notified by certified mail, return receipt requested, and his, her or their successor or successors shall be chosen in the manner prescribed by paragraph 27 of these By-Laws.

MEETINGS OF THE BOARD OF DIRECTORS

12. There shall be regular meetings of the Board of Directors at least once each quarter, or once each month if the directors so elect, and immediately prior to and following all meetings of the members.

13. At their first meeting the directors shall designate the time, place and frequency of their regular meetings, and no further notice thereof shall be required so long as the time and place remains unchanged. Special meetings of the Board of Directors may be called upon three (3) days' notice to each director, either personally or by mail, unless such notice is waived by each director in writing.

14. At all meetings of the Board of Directors a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by statute, the Articles of Incorporation, the Declaration of Condominium, or these By-Laws.

15. The Board of Directors may by resolution appoint one or more standing committees, consisting of two or more of their number, for the handling of various routine business. Such committees may negotiate for and on behalf of the corporation, but only a quorum of the Board of Directors, meeting in the manner set forth herein, or the president, acting pursuant to instructions of the Board of Directors, shall have the authority to bind the corporation on any contract.

16. The Board of Directors shall assess and collect funds from the members on a monthly basis and shall utilize such funds to pay for the common expenses (and limited common expenses, if any) of The Edgewater Condominium. Such expenses shall include, but shall not be limited to, garbage service, sewer service, water service, the lighting of common areas, and grounds, elevator, pool and general maintenance and listing for taxation with respect to common areas, if required by law, for the benefit of The Edgewater Condominium. The corporation shall not arrange or be responsible for utilities or services benefitting solely private individual units of The Edgewater Condominium. Any surplus of funds so assessed in excess of such expenses at the end of any accounting period shall be retained by the corporation or refunded pro-rata to the owners of private individual units of The Edgewater Condominium, as the Board of Directors may elect, as determined by the needs of the corporation.

OFFICERS

17. The officers of the corporation shall consist

of a president, vice president, secretary, treasurer and registered agent, and such other officers or assistant officers as may be deemed necessary by the directors. The offices of president and secretary may not be held by the same individual, but all other offices may be combined in any manner the members see fit. The officers may, but need not be, members of The Edgewater Condominium Owner's Association, Inc., or owners of all or part of any unit of The Edgewater Condominium. They must, however, be among those designated as voters pursuant to the provisions of paragraph 5.2 of the Articles of Incorporation of The Edgewater Condominium Owner's Association, Inc., and paragraph 27 of these By-Laws. The initial officers shall be selected by the incorporators, and shall serve until their replacements are selected and qualified pursuant to the provisions of paragraph 6.1 of the Articles of Incorporation of The Edgewater Condominium Owner's Association, Inc.

18. The Board of Directors may appoint such other officers or agents as they shall deem necessary, who shall hold their offices for such times and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

19. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officers elected by the members may be removed at any time by the affirmative vote of two-thirds (2/3) of the Board of Directors. In the case of such removal

of one or more officers, their successor or successors shall be selected in accordance with the provisions of paragraph 27 of these By-Laws.

THE PRESIDENT

20. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and directors; shall have general supervision and management of the business of the corporation; and shall see that all orders and resolutions of the Board of Directors are carried into effect.

21. The President shall have authority to execute notes, mortgages, bonds and other conveyances of the property of the corporation only upon resolution of the Board of Directors, and the seal of the corporation must be affixed to such instruments and attested by the Secretary.

THE VICE PRESIDENT

22. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

THE SECRETARY

23. The Secretary shall attend all sessions of the Board of Directors and meetings of the members, and shall record all votes and minutes of all meetings in a book to be kept for that purpose. He or she shall give or cause to be given notice of all meetings of the members and of the Board of Directors, as may be required by the Articles of Incorporation, the By-Laws, or the laws of the State of

Alabama. The Secretary shall keep and file the member's designations of the names of their voting representatives, and all proxies presented to the corporation, in separate file folders corresponding to each unit of The Edgewater Condominium, and shall also keep a separate file or book listing all current voting representatives and proxy holders, to the end that the names of all persons currently entitled to vote at members' meetings may be ascertained by reference to a single file or book. The Secretary shall be custodian of the corporate seal, and when authorized by the Board of Directors, shall affix the seal of the corporation to any instrument requiring it, attesting the same by his or her signature. The Secretary shall perform such other duties as the Board of Directors shall prescribe.

THE TREASURER

24. The Treasurer shall have custody of all of the corporation's funds, securities and other property, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors; PROVIDED, HOWEVER, that sums of money may be set up to be exempt from the above provision by the Board of Directors to be known as petty cash funds for the office of the corporation, and the Board of Directors shall prescribe the amount to be so exempt from this provision. Such funds so deposited as are not subject to the above petty cash exemption shall be

subject to withdrawal on checks signed by the President and Treasurer, or such other persons as the Board of Directors may from time to time designate. The Treasurer shall render to the Board of Directors at regular meetings of the Board of Directors, whenever required, an account of all financial transactions of the corporation and a report of the financial condition of the corporation. The Treasurer shall perform such other duties as the Board of Directors shall prescribe.

25. The Treasurer shall be responsible for keeping those certain records required to be kept by the Alabama Condominium Act, namely those specified by § 35-8-10 CODE OF ALABAMA 1975, which requires:

(4) Provision for the maintenance of accounting records, in accordance with generally accepted accounting principles, open to inspection by unit owners of reasonable times. Such records shall include:

- a. A record of all receipts and expenditures,
- b. An account for each unit, setting forth any shares of common expenses or limited common expenses or other charges due, the due dates thereof, the present balance due and any interest in common surplus or limited common surplus.

THE REGISTERED AGENT

26. The Registered Agent shall maintain the corporation's mailing address, shall report the same to the Alabama Secretary of State, as required by law, and shall report all corporate communications received by him or her to the corporation's Board of Directors. The Registered

Agent must be a resident of the State of Alabama. The name and address of the Registered Agent of The Edgewater Condominium as of the date of these By-Laws is:

R. Lonnie Flipppo
P. O. Box 87
Florence, Alabama 35630

VACANCIES

27. If the office of any director or officer, one or more, becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the directors then in office, although less than a quorum, by a majority vote may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

NOTICES

28. Whenever under the provisions of these By-Laws notice is required to be given to any director, officer or member, it shall not be construed to require personal notice, but such notice may be given in writing, by mail.

WAIVERS

29. The notices of meetings herein required may be waived by the members, in writing, and the members may act for and on behalf of the corporation by written agreement without meetings; however, in all such cases whether with respect to waivers of notice or with respect to action by agreement without meetings, the decisions of the members to so proceed must be unanimous.

AMENDMENTS

30. These By-Laws may be altered or amended by

the affirmative vote of three-fourths (3/4) of the voting representatives entitled to vote, PROVIDED that notice of the proposed alteration or amendment be contained in the notice of the meeting at which such alteration or amendment is proposed; or by the affirmative vote of a majority of the Board of Directors by resolution adopted at a regular or special meeting of the Board of Directors; PROVIDED, HOWEVER, that no change in the time or place for the election of directors or officers shall be made within thirty (30) days next before the day on which election is to be held; and in case of any change of such time or place, notice thereof shall be given to each member in person or by letter mailed to his last known address at least ten (10) days before the election is held. No amendment may change, alter or eliminate any private individual unit, or effect any change in the percentage or fraction of the common elements of that unit, unless and until all of the owners and record mortgage holders of such unit shall have agreed to such amendment in writing. No amendment to these By-Laws shall be of any force or effect unless and until it shall have been filed for record in the Probate Office, Baldwin County, Alabama, at which time it shall become and be of full force and effect.

LIMITATION ON POWERS

31. The corporation shall not serve as advertising or rental agent for the owners in the ordinary course of its business. This provision shall not prevent the corporation from referring prospective renters to the various owners on a rotating or some other equal basis, but under no cir-

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cumstances shall the corporation receive and pool rental income for distribution to the owners on any basis other than according to the actual rental income generated by each individual unit. This paragraph may not be amended except by unanimous vote of the owners. In the event of such amendment, each owner, whether or not a designated voting member of the corporation, shall sign a certificate to be held in the corporate files acknowledging that the pooling of rental income may subject their interests of ownership in The Edgewater Condominium to registration under the federal securities acts and the Alabama Blue Sky Laws.

ADOPTED this _____ day of _____, 1981.

Lizabeth G. Wade, Secretary

Ronald M. Kirtland, President