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THE BEACH CLUB MASTER ASSOCIATION, INC.
A NON-PROFIT CORPORATION

DEED- MORTGAGE
LAND TAX INDEX
RECORDED IN CL 22
JUDGE OF PROBATE

The undersigned, acting as Incorporator, does hereby form a corporation under the Alabama Non-Profit Corporation Act, Code of Alabama (1975), Section 10-3A-1, et seq. ("ACT") and adopts the following ARTICLES OF INCORPORATION;

ARTICLE ONE

NAME

The name of this Corporation shall be THE BEACH CLUB MASTER ASSOCIATION, INC. ("MASTER ASSOCIATION").

ARTICLE TWO

DEFINITIONS

All terms used herein shall have the meaning given for each of them stated in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BEACH CLUB, a Subdivision ("MASTER DECLARATION"), unless the context otherwise requires, and are hereby incorporated by reference and made a part hereof. In the event of a conflict between the provisions of the MASTER DECLARATION, ARTICLES OF INCORPORATION or BY-LAWS, the MASTER DECLARATION prevails, except to the extent the MASTER DECLARATION is inconsistent with the ACT.

ARTICLE THREE

PERIOD OF DURATION

The period of duration for the MASTER ASSOCIATION is perpetual unless and until hereafter legally dissolved.

ARTICLE FOUR

NOT FOR PROFIT

The MASTER ASSOCIATION is not organized for pecuniary profit, and it shall pay no dividend, and shall distribute no part of its income to its MEMBERS, DIRECTORS or officers. Nevertheless, the MASTER ASSOCIATION may pay compensation in a reasonable amount to its MEMBERS, DIRECTORS and officers for services rendered, and it may confer benefits on its MEMBERS in conformity with the MASTER DECLARATION and for the purposes of the MASTER ASSOCIATION. On termination, the MASTER ASSOCIATION may make distributions to its MEMBERS as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income. All funds and properties acquired by the MASTER ASSOCIATION and the proceeds therefrom shall be held in trust for the MEMBERS of the MASTER ASSOCIATION in accordance with the provisions of the ACT, the MASTER DECLARATION and the BY-LAWS of the MASTER ASSOCIATION. The MEMBERS of this MASTER ASSOCIATION shall not be personally liable for the debts, liabilities or obligations of this MASTER ASSOCIATION.

ARTICLE FIVE

PURPOSES

The MASTER ASSOCIATION is organized for the purpose of administering, maintaining, operating and managing the SUBDIVISION known as THE BEACH CLUB, a Subdivision ("SUBDIVISION"), located in

Baldwin County, Alabama, according to the MASTER DECLARATION and to do all things incident, necessary, convenient, expedient, ancillary or in aid of the accomplishment of the foregoing.

ARTICLE SIX

POWERS

The MASTER ASSOCIATION shall have all the common law and statutory powers of a non-profit corporation and shall have all the powers, duties and authority vested in the MASTER ASSOCIATION by the ACT, the MASTER DECLARATION or these ARTICLES, including but not limited to the following:

1. Exercise all of the powers and privileges and to perform all of the duties and obligations of the MASTER ASSOCIATION as set forth in the MASTER DECLARATION applicable to the SUBDIVISION and recorded or to be recorded in the Office of the Judge of Probate of Baldwin County, Alabama and as the same may be amended from time to time as therein provided, the MASTER DECLARATION being incorporated herein as if set forth at length;

2. Fix, levy, collect and enforce payment by any lawful means, all charges or ASSESSMENTS pursuant to the terms of the MASTER DECLARATION; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the MASTER ASSOCIATION, including all licenses, taxes or governmental charges levied or imposed against the property of the MASTER ASSOCIATION;

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

4. Borrow money, as provided in the MASTER DECLARATION, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

5. Dedicate, sell or transfer all or any part of the COMMON AREA or COMMON PROPERTY to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS according to the terms of the MASTER DECLARATION.

6. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and COMMON AREA, according to the terms of the MASTER DECLARATION;

7. Have and exercise any and all powers, rights and privileges which a corporation organized under the ACT may now or hereafter have or exercise.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may now or hereafter be allowed or permitted by Alabama Law or by the MASTER DECLARATION.

ARTICLE SEVEN

MEMBERSHIP AND VOTING RIGHTS

This MASTER ASSOCIATION shall issue no shares of stock of any kind or nature whatsoever. Every PERSON or entity who is a record OWNER of a fee interest or undivided fee interest in any LOT or UNIT in the SUBDIVISION shall be a MEMBER of the MASTER ASSOCIATION which MEMBERSHIP shall be subject to the terms and conditions of the MASTER DECLARATION. There shall be only one (1) per LOT or

UNIT. The foregoing is not intended to include PERSONS or entities who hold an interest merely as security for the performance of an obligation, unless and until such security holder or MORTGAGEE has acquired title to the LOT or UNIT pursuant to foreclosure or any proceeding in lieu thereof and the deed thereby evidencing title has been duly and properly recorded at which time such security holder or MORTGAGEE shall become a MEMBER and the debtor's membership shall thereupon cease, regardless of whether or not there is an outstanding right of redemption to the LOT or UNIT. Membership shall be appurtenant to and may not be separated from the ownership of any LOT or UNIT. The share of a MEMBER in the funds or assets of the MASTER ASSOCIATION cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the LOT or UNIT. The MEMBERS shall enjoy such qualifications, rights and voting rights as may be fixed in the MASTER DECLARATION and in the BY-LAWS of the MASTER ASSOCIATION. A VOTING MEMBER shall be selected by the MEMBERS of each NEIGHBORHOOD pursuant to the terms and conditions of the MASTER DECLARATION to be responsible for casting all votes attributable to LOTS or UNITS in the NEIGHBORHOOD for the election of directors of the MASTER ASSOCIATION and for the other purposes set out in the MASTER DECLARATION.

ARTICLE EIGHT

BOARD OF DIRECTORS

The property, business and affairs of the MASTER ASSOCIATION shall be managed by a BOARD OF DIRECTORS consisting of a number which is not less than three (3) but not more than, from time to time, as shall be determined and fixed by a majority of the voting rights of the VOTING MEMBERS. Except as may otherwise be provided in the MASTER DECLARATION and in the BY-LAWS, each DIRECTOR may be either a PERSON designated by the DECLARANT or a PERSON entitled to cast a vote in the MASTER ASSOCIATION. DIRECTORS may be designated or elected and removed, and vacancies on the BOARD OF DIRECTORS shall be filled as provided in the MASTER DECLARATION and in the BY-LAWS. All the duties and powers of the MASTER ASSOCIATION existing under the MASTER DECLARATION, these ARTICLES and the BY-LAWS shall be exercised exclusively by the BOARD OF DIRECTORS, its agents, contractors or employees, subject only to approval by the DECLARANT, VOTING MEMBERS or LOT OWNERS or UNIT OWNERS when such approval is specifically required by the MASTER DECLARATION, these ARTICLES or the BY-LAWS.

The initial BOARD OF DIRECTORS shall be composed of four (4) DIRECTORS. The names and addresses of the four (4) DIRECTORS of the initial BOARD OF DIRECTORS, who shall hold office until election or appointment of their successors, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
WILLIAM G. YATES, JR.	One Gully Avenue Philadelphia, Mississippi 39350
MARVIN BLANKS	One Gully Avenue Philadelphia, Mississippi 39350
ANSLEY H. DORSEY	Post Office Drawer 230 Point Clear, Alabama 36564
RICHARD H. OGBURN	Post Office Drawer 230 Point Clear, Alabama 36564

ARTICLE NINE

BY-LAWS

The BY-LAWS of the MASTER ASSOCIATION shall be adopted by the BOARD OF DIRECTORS and may be altered, amended or rescinded in the

manner provided by the BY-LAWS.

ARTICLE TEN

OFFICERS

The affairs of the MASTER ASSOCIATION shall be administered by the officers designated in accordance with the BY-LAWS. The names and the addresses of the officers who shall serve until the election or appointment of their successors in accordance with the BY-LAWS are as follows:

<u>NAME</u>	<u>OFFICE</u>	<u>ADDRESS</u>
RICHARD H. OGBURN	President	Post Office Drawer 230 Point Clear, Alabama 36564
MARVIN BLANKS	Secretary/ Treasurer	One Gulley Avenue Philadelphia, Mississippi 39350

ARTICLE ELEVEN

INDEMNIFICATION AND LIMITATION OF LIABILITY

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

A DIRECTOR of the MASTER ASSOCIATION shall not be liable to the MASTER ASSOCIATION or its MEMBERS for money damages for any action taken, or any failure to take action, as a DIRECTOR, except for (i) the amount of a financial benefit received by such DIRECTOR to which such DIRECTOR is not entitled; (ii) an intentional infliction of harm by such DIRECTOR on the MASTER ASSOCIATION or its MEMBERS; (iii) a violation of the Code of Alabama (1975), Section 10-2B-8.33 or any successor provision to such section; (iv) an intentional violation by such DIRECTOR of criminal law; or (v) a breach of duty of loyalty by such DIRECTOR to the MASTER ASSOCIATION or its MEMBERS. If the Alabama Business Corporation Act, or successor statute thereto, is hereafter amended to authorize the further elimination or limitation of the liability of a DIRECTOR of a corporation, or to provide greater rights of indemnification for any officer, Director, agent or employee of a corporation, then the liability of a DIRECTOR of the MASTER ASSOCIATION, in addition to the limitations on liability provided herein, shall be limited to the fullest extent permitted by the Alabama Business Corporation Act as amended or any successor statute thereto, and the rights of indemnification of such officer, DIRECTOR, employer or agent shall be similarly enhanced to the fullest extent thereby permitted. Any repeal or modification of this ARTICLE by the MEMBERS of the MASTER ASSOCIATION shall be prospective only and shall not adversely effect any limitation on the liability or rights of indemnification of a DIRECTOR of the MASTER ASSOCIATION existing at the time of such repeal or modification.

ARTICLE TWELVE

INCORPORATOR

The name and address of the Incorporator of the MASTER ASSOCIATION is:

<u>NAME</u>	<u>ADDRESS</u>
FORT MORGAN PARADISE JOINT VENTURE, an Alabama Partnership	Post Office Drawer 230 Point Clear, Alabama 36564

ARTICLE THIRTEEN

DECLARANT CONTROL

The DECLARANT shall retain control of the MASTER ASSOCIATION in accordance with the terms and conditions of the MASTER DECLARATION.

ARTICLE FOURTEEN

REGISTERED OFFICE AND AGENT

The location address of the initial registered office of the MASTER ASSOCIATION is 18300 Scenic Highway 98, Suite B, Point Clear, Alabama 36564. The mailing address of the initial registered office of the MASTER ASSOCIATION is Post Office Drawer 230, Point Clear, Alabama 36564. The name of the initial agent at such address is ANSLEY H. DORSEY.

ARTICLE FIFTEEN

AMENDMENT

These ARTICLES may be amended as provided in the ACT, provided that no amendment shall be in conflict with the MASTER DECLARATION and provided further that no amendment shall be effective to impair or dilute any rights of any MEMBERS that are governed by the MASTER DECLARATION.

ARTICLE SIXTEEN

RELATED PARTY TRANSACTIONS

No contract or other transaction between the MASTER ASSOCIATION or any PERSON, firm, association or corporation and no other act of the MASTER ASSOCIATION shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the DIRECTORS of the MASTER ASSOCIATION are directly or indirectly, pecuniarily or otherwise interested in such contract, transaction or other act, or are related to or interested in (either as director, stockholder, officer, employee, member or otherwise) such PERSON, firm, association or corporation. Any DIRECTOR of the MASTER ASSOCIATION individually, or any firm or association of which any DIRECTOR may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the MASTER ASSOCIATION, provided that the fact that he or she, individually, or such firm or association is so interested, shall be disclosed or known to the BOARD OF DIRECTORS or a majority of the MEMBERS thereof as shall be present at any meeting of the BOARD OF DIRECTORS or of any committee of DIRECTORS having the powers of the full BOARD, at which action upon any such contract, transaction or other act is taken, and if such fact shall be so disclosed or known, any DIRECTOR of the MASTER ASSOCIATION so related or otherwise interested may be counted in determining the presence of a quorum of any meeting of the BOARD OF DIRECTORS or of such committee, at which action upon any such contract, transaction or act shall be taken, and may vote with respect to such action with like force and effect as if he or she were not so related or

MSC0092 PAGE 1220

interested. Any DIRECTOR of the MASTER ASSOCIATION may vote upon any contract or other transaction between the MASTER ASSOCIATION and any affiliated corporation without regard to the fact that he or she is also a director of such affiliated corporation.

ARTICLE SEVENTEEN

DISSOLUTION

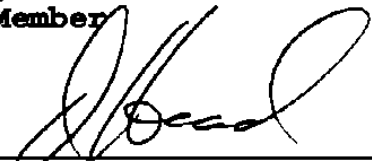
The MASTER ASSOCIATION shall be dissolved upon the termination of the SUBDIVISION in the manner provided by the MASTER DECLARATION. Upon dissolution of the MASTER ASSOCIATION, the assets of the MASTER ASSOCIATION, if any, and all money received by the MASTER ASSOCIATION from its operations, after the payment in full of all debts and obligations of the MASTER ASSOCIATION of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided for in the ACT.

IN WITNESS WHEREOF, the Incorporator has caused this instrument to be executed this 14th day of March, 1997.

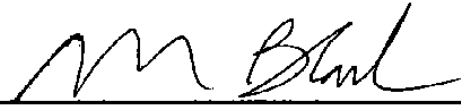
FORT MORGAN PARADISE JOINT VENTURE,
an Alabama Partnership

BY: HEAD (H/M) II, L.L.C., an
Alabama Limited Liability
Company
Its: Partner

BY: HEAD (H/M), L.L.C., an
Alabama Limited Liability
Company
Its: Member

BY: 
DAVID H. HEAD
Its: Manager

BY: YATES LLC, an Alabama
Limited Liability Company
Its: Partner

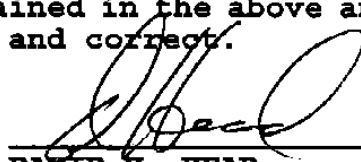
BY: 
MARVIN BLANKS
Its: Manager

HSC0092 Page 1221

STATE OF ALABAMA :

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, personally appeared DAVID H. HEAD, being known to me and who, being by me first duly sworn, deposes and says that he is a Member of HEAD (H/M), L.L.C., an Alabama Limited Liability Company, acting in its capacity as a Member of HEAD (H/M) II, L.L.C., an Alabama Limited Liability Company, acting in its capacity as a Partner of FORT MORGAN PARADISE JOINT VENTURE, an Alabama Partnership and that he is authorized to make this verification on behalf of the Incorporator of the MASTER ASSOCIATION and that the facts contained in the above and foregoing ARTICLES OF INCORPORATION are true and correct.


DAVID H. HEAD

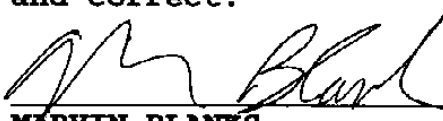
Subscribed and sworn to
before me this 13th day
of March, 1997.


NOTARY PUBLIC
My Commission Expires: 7-12-98

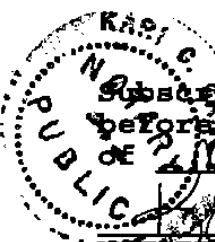
STATE OF ALABAMA :

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, personally appeared MARVIN BLANKS, being known to me and who, being by me first duly sworn, deposes and says that he is Manager of YATES LLC, an Alabama Limited Liability Company, acting in its capacity as a Partner of FORT MORGAN PARADISE JOINT VENTURE, an Alabama Partnership and that he is authorized to make this verification on behalf of the Incorporator of the MASTER ASSOCIATION and that the facts contained in the above and foregoing ARTICLES OF INCORPORATION are true and correct.


MARVIN BLANKS

Subscribed and sworn to
before me this 14th day
of March, 1997.


NOTARY PUBLIC
My Commission Expires: 7-12-98

THIS INSTRUMENT PREPARED BY:
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