

STATE OF ALABAMA

COUNTY OF BALDWIN

**BY-LAWS
OF
THE MADISON PLACE PROPERTY OWNERS ASSOC., INC.,
AN ALABAMA NON-PROFIT CORPORATION**

INTRODUCTION

WHEREAS, these By-Laws are hereby established in pari materia with the Articles of Incorporation and the Covenants of The Madison Place Property Owners Association, Inc., an Alabama non-profit corporation, hereinafter referred to as the "Articles," and the "Covenants" a corporation organized and incorporated for the purpose of the management of Madison Place, a subdivision, situated in the City of Daphne, in Baldwin County, Alabama, hereinafter referred to as the "Subdivision," and developed by Elite Development, LLC, an Alabama limited liability company, hereinafter referred to as the "Developer."

AND WHEREAS, the words used in these By-Laws shall have the same meaning as set forth in the Declaration of Rights, Easements, Covenants, Conditions, Affirmative Obligations and Restrictions Applicable to Madison Place, a subdivision, hereinafter referred to as the "Declaration," as same may be amended, renewed, or extended from time to time, unless the context shall prohibit.

WHEREFORE, the Board of Directors does hereby establish the following By-Laws, to-wit:

**ARTICLE I
NAME, PRINCIPAL OFFICE, & THE ASSOCIATION**

Section 1. Name. The name of the Association shall be THE MADISON PLACE PROPERTY OWNERS ASSOC., INC., hereinafter referred to as the "Association."

Section 2. Principal Office. The principal office of the Association in the State of Alabama shall be located at **PO Box 2308, DAPHNE, ALABAMA 36526**. The Association may have such other offices, either within or without the State of Alabama, as may be determined by the Board of Directors of the Association, hereinafter referred to as the "Board."

Section 3. Identity. Madison Place Property Owners Association, Inc., (the "Association"), a nonprofit corporation, has been formed this date under and pursuant to the Alabama Nonprofit Corporation Act, Sections. 10-3A-1 et seq., Code of Alabama 1975 (hereinafter referred to as the "Act") by filing the Articles of Incorporation of the Association in the Office of the Judge of Probate of Baldwin County, Alabama. The Association has been organized and shall be operated to provide exclusively for the management of Madison Place

Property, a residential subdivision in Baldwin County, Alabama (the "Subdivision"), and to manage, maintain and administer the Common Elements, and to administer and enforce the covenants and restrictions set forth in the Declaration. The Association is the homeowners association with respect to the Subdivision within the meaning of Sec. 528 of the United States Internal Revenue Code (the "Code"), and the Regulations thereunder.

The terms capitalized herein shall have the meanings set forth in the Articles of Incorporation, unless the context otherwise requires.

ARTICLE II MEMBERSHIP

Section 1. Members. As provided in the Articles of Incorporation, the Association shall have only one class of member. The membership of the Association at all times shall consist exclusively of all Owners (including Developer as long as it owns a Lot), their heirs, successors or assignees. Each Owner shall cease being a member of the Association at the time he/she no longer owns a Lot. Change of membership in the Association shall be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama, the deed or other instrument establishing record title to a Lot, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated.

- (i) Member In Good Standing Defined. Member, as used herein, shall mean a lot owner in good standing.
- (ii) "Owner in good standing" is one that has their quarterly dues paid in full to date. In order to vote at meetings the dues must be paid for up to and including the month in which the meeting is held.

Section 2. Annual Meeting. The annual meeting of the Members shall be held on the second Saturday of May in each year, beginning with the year 2008 at the hour of 10 a.m., or at such other time on such other day as shall be fixed by the Board of Directors, for the purpose of, transaction of such other business as may be necessary based on the agenda for the meeting and may include such items as but not limited to:

- (i) Opening remarks of the President
- (ii) Acceptance of the minutes of the previous annual meeting
- (iii) Treasures Report
 - a. Review of the annual budget
 - b. Fiscal end of year financial status (calendar year)
- (iv) Review of the proposed annual budget
- (v) Election of Board members based on vacancies.

If the day fixed for the annual meeting shall be a legal holiday in the State of Alabama, such meeting shall be held on the next succeeding Saturday that is not a legal holiday in the State of Alabama. If the election of Board of Directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall

cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

Section 3. Proviso. During the period of Developer control of the Association, the Developer shall not be required to hold said annual meetings. (The Developer has since turned over the POA to the residents)

Section 4. Place of Meetings. Annual and special meetings of the Members shall be held at the principal office of the Association, or at such other place, within or without the State of Alabama, as may be designated by the Board of Directors or the person or persons calling the meeting and stated in the notice of the meeting. If no designation is made or stated in the notice, the meeting shall be held at the principal office of the Association.

Section 5. Special Meetings. Subject to giving proper notice as required herein, the President may call a special meeting at anytime, and if so directed by resolution of a majority of the Board or upon a petition signed by Members representing at least one-half (1/2) of the total eligible votes of the Association, it shall be the duty of the President to call a special meeting of the Association. No business shall be transacted at a special meeting except as stated in the notice. (There are 94 members' seats and therefore 47 members need to have voted for a meeting per the above)

Section 6. Board of Directors Meetings. A meeting of the Board may be called by the President at anytime. These meetings are to be conducted and duly recorded minutes are to be taken with any discussions and decisions that are made. These meetings may be held to prepare budgets, discuss and reject or grant variance requests by Members of the by-laws and covenants and to review and act on requests received by the Architectural Committee and Members. They may also be conducted to review and approve amendments to the covenants on an as needed basis and upon being approved by the Board the amendment is to be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 7. Notice of Meeting. Notice of any regular or special meeting shall be given to the voting members, and said notice shall be in writing and state the place, day, hour, and purpose of the meeting. Said notice shall be delivered, either personally or by mail, to each voting Member **in good standing** entitled to vote at such meeting, not less than ten (10) days or more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary. If mailed, said notice shall be deemed to be delivered when deposited in the United States Post Office mail addressed to the Voting Members at his/her address as it appears on the records of the Association, with postage thereon prepaid. It is not required to notify Members of Board shall be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama, meetings.

Section 8 Waiver of Notice. Any voting Member may, in writing, waive notice of any meeting of the voting Members, either before or after such meeting, and such waiver shall be deemed the equivalent of proper notice. Attendance at any meeting by a voting Member or proxy holder shall be deemed as a waiver by such voting Member, unless such member specifically

objects to lack of proper notice at the time the meeting is called to order or before any business is put to a vote.

Section 9 Quorum. Except as may otherwise be provided in these By-Laws and the Declaration (Covenants), the presence in person or by proxy of the voting Members representing one-half (1/2) of the total vote of the Association shall constitute a quorum at all meetings of the Association. (see paragraph 6.5 of the Covenants)

(i) All proxies not returned to the Board prior to the meeting will be used as being counted by the Board to measure the quorum and for voting purposes for the meeting.

Section 10 Lack of Quorum. If a quorum is not present at any meeting of the Association, a majority of the voting Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days or more than thirty (30) days from the time the original meeting was called. If such new time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, such notice of the time and place for reconvening the meeting shall be given to the voting Members as required herein for any regular or special meeting. (see paragraph 6.5 of the Covenants)

Section 11 Withdrawal From Meeting. At any duly called or held meeting at which a quorum is present, the voting Members may continue to do business until adjournment, and said meeting may continue notwithstanding the withdrawal of enough voting Members to leave less than a quorum; however, if at any time during said meeting less than fifteen percent (15%) of the total voting Members or their alternates are not present in person or proxy, no action taken shall be taken which requires the approval of a majority of the Members necessary to constitute a quorum.

Section 12 Reconvened Meeting. At any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

Section 13 Proxies. Voting Members may vote by proxy, provided said proxy is in a proper form and signed by the voting Member and is deposited with the President or the Secretary of the Association, or deposited with the person designated by the Board to accept said proxies. Any such proxy shall be specifically for the meeting for which the proxy is presented for acceptance. All proxies will be considered as a vote in favor of or against any actions taken by the Members as directed by the Board. Any proxies not returned by members in good standing by the time of the meeting will be votes counted by the Board as a vote in favor of or against any actions taken by the Members as directed by the Board.

(i) No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. The proxy can only be used in regard to items discussed at the meeting the proxy was intended.

Section 14 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book

all business conducted and resolutions adopted at the meeting. The minute's book may be in the form of an electronic file stored on the Associations computer and backed up appropriately.

Section 15 Resolution. An Association resolution is not necessarily a by-law, but a by-law may be enacted in the form of a resolution where the object to be accomplished is the subject of a by-law, that is to say, a rule or law of the association for its government.

- (i) A resolution differs from a by-law, in that a resolution applies to a single act of the Association, while a by-law, as in the present case, is a permanent continuing rule, which is to be applied to all future occasions.

Section 16 By-Law. The function of a by-law is to prescribe and describe the rights and duties of the Developer, Board, and Members with reference to the internal government of the Association, the management of its affairs, and the rights and duties existing between the Members.

- (i) A **by-law** is not an agreement but a law binding on all Members to whom it applies whether they care to be bound by it or not. The by-law has the same effect within its limits and with respect to the persons upon whom it lawfully operates as any Alabama law has upon the subjects at large.
- (ii) Rules of Conduct pertaining to the use of common areas of Madison Place are as follows:
 - a. No profanity, alcohol or unruly behavior.
 - b. Respect our neighbors and our properties of Madison Place
 - c. No littering
 - d. On the common areas or thrown into the neighbors yards.
 - e. You must be a resident of Madison Place or a guest thereof.
 - f. All residents using common areas are responsible for their own conduct as well as the conduct of their guests.
 - g. Any Board Member or any resident of Madison Place has the right to verify if persons using the common areas are residents of Madison Place.
 - h. Those using the common areas have the obligation to ensure that they are responsible for their actions as well as that of their guest's.
 - i. Any person utilizing the common areas may be questioned as to their residency of Madison Place by a Board member or any other Madison Place resident.
 - j. Anyone utilizing the common areas will be considered old enough for us to question their residency. (If a member of the

Madison Place POA does not want to have their child or children spoken to then the parent or guardian must accompany the child or children to the common area. The parent or guardian will be questioned.

- k. Any person or persons utilizing the common areas can and will be questioned as to their residency in Madison Place.
- l. Anyone walking their pets in Madison Place must abide by the City of Daphne leash law in effect and must pick up after their pets droppings both in common areas and if the deposits are made on their neighbors property for the safety of all residence using the common areas.
- m. It is your responsibility as a good neighbor and resident of the Madison Place POA to do your part to make this a great community setting to live in.

Section 17. Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or for any other proper purpose, such date in any case to be not more than thirty (30) days and, in case of a meeting of the Members, not less than ten (10) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of the Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination has been made, as provided in this Section, such determination shall apply to any adjournment thereof.

Section 18. Voting Lists. The officer or agent having charge of the records of Members of the Association shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each Member and the number of votes to which he is entitled, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member making written request therefor at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 19. Informal Action by Members. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of Members, and may be stated as such in any articles or document filed with the Probate Judge under the Act.

ARTICLE III BOARD OF DIRECTORS

Section 1 Generally. The affairs of the Association shall be governed by the Board of Directors, referred to previously and hereafter as the "Board," consisting of at least three (3) persons, but not more than Six (6) persons, and each such Director shall have one vote.

Section 2 Initial Board. The Developer shall appoint the initial Board consisting of Three (3) members, and said initial Directors do not have to be lot owners and shall be identified in the minutes of the first meeting of the Board. The Developer shall continue to select such Directors and such Directors shall serve at the discretion of the Developer until the Developer surrenders control of the Association to the lot owners. Thereafter, all Board members shall be voting Members or spouses of such Members; however, no such Member and such Member's spouse may serve on the Board at the same time.

Section 3. General Powers. As provided in the Articles of Incorporation, the activities and affairs of the Association shall be managed by the Board of Directors, provided, however, that the Board of Directors shall not exercise any power or authority conferred in the Declaration, the Article of Incorporation or by the Act upon the Members. Among other things, the Board of Directors shall have the power to suspend the enjoyment rights of any Member for any period during which any assessment due by said Member remains unpaid; and to adopt and enforce Rules and Regulations relating to the conduct of the Members and their invitees and aesthetic considerations pertaining to the Subdivision, and to suspend the enjoyment rights of any Member for a period not to exceed thirty (30) days for any infraction of the Association's Rules and Regulations.

The Board of Directors may not act on behalf of the Association to amend the Declaration or the Articles of Incorporation or to elect members of the Board or to determine the qualifications, powers and duties, or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term. The Board may also amend the Covenants when the Board deems it necessary to do so to protect the Members property value.

Section 4 Election of Directors. Upon relinquishment of control of the initial Board by the Developer, all Directors shall be approved by the Association. Nominations for election to the Board shall be made by a Nominating Committee appointed by the Board, and said Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more voting Members (in good standing) of the Association. The Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the voting Members, and such appointment shall be announced at each such annual meeting. The Committee shall serve from the close of such annual meeting until the close of the next annual meeting. The Committee shall make as many nominations for election to the Board as the Committee shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled.

Nominations shall also be permitted from the floor during the said regular annual meeting. All candidates, whether nominated by the Committee or from the floor, shall have a reasonable opportunity at such annual meeting to communicate their qualifications to the Members and to solicit votes prior to the vote by the Membership.

(i) Election of directors entitled to be elected by the Members shall be held at the annual meeting. The election shall be by secret ballot (unless dispensed with by unanimous consent of the Members in good standing present and voting) and by a plurality of the votes cast. Cumulative voting for Directors is not authorized.

Section 5 Term of Office. If the Association determines the Board shall consist of three (3) Directors, the initial term.

(1) Subsequent terms (with 3 Directors):

(i) One (1) Director shall be fixed at one (1) year, and the initial term of two (2) Directors shall be fixed at two (2) years.

(2) Subsequent terms (with 4 or more Directors):

(i) At least two (2) Directors shall have concurrent terms of three (3) years. Thereafter, upon the expiration of the initial term of office of each said initial Director, the successor of each said initial Director shall serve for a term of two (2) years. Each member of the Board shall hold office until such member's respective successor has been elected by the Association.

Present offices and terms of the Board are as follows:

Presidents term	3yrs
Vice Presidents term	3 yrs
Treasurer	3 yrs
Secretary term	2 yrs
Member at Large 1	2 yrs
Member at Large 2	1 yr

Present officers are as follows:

Presidents and Treasurer, Donald Ouellette	term expires May, 2012
Vice Presidents, Paul Hodges	term expires May, 2011
Secretary, Joe Lemoine	term expires May, 2011
Member At Large 1, Terry Banfield	term expires May, 2011
Member At Large 2, Greg Willis	term expires May, 2010

The members of the initial Board of Directors are named in the Articles of Incorporation. As provided therein, the term of service of the initial members of the Board shall be one (1) year from the date hereof, provided, however, that until termination of the period of Developer control of the Association as provided in the Declaration, Developer may, by written instrument duly recorded in the Office of the Judge of Probate of Baldwin County, Alabama, at any time remove any member of the Board, or replace any member, or name a new member in place of any member who has resigned or died. Until the termination of the period of Developer control of the

Association, the members of the Board appointed by the Developer may, but need not be, Owners.

As provided in the Declaration, upon termination of the period of Developer control of the Association, control of the Association shall be transferred to all Owners (including Developer if it is still an Owner) of a majority of the total Lots in, or planned for, the Subdivision (including all planned additional phases), and thereafter the Owners may remove any member of the Board, or replace any member, or name a new member in his place in the event he for any reason ceases to so serve, and fix the term of service of each new member.

The Developer shall be deemed to be the Owner of each Lot which has not been conveyed to a Person other than the Developer. The Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Lot under the Governing Documents.

Upon the termination of the period of Developer control of the Association, the Members shall elect a Board of Directors of at least three (3) members, all of whom shall be Owners. Thenceforth, the number of directors constituting the Board of Directors shall be not less than three (3) nor more than six (6), the exact number to be determined and fixed by the Members at the annual meeting or at a special meeting of the Members called for such purpose. The maximum number of Directors may be increased or decreased from time to time in the manner provided by the by-laws for the amendment thereof, but no decrease shall have the effect of shortening the term of any incumbent director. Each Director shall hold office until the next annual meeting of the Members and until his successor shall have been elected and qualified or until his death or until he shall have resigned or shall have been removed. (see schedule of length of term in Section 5 above) for Directors terms. The Board members and officers shall take office upon election.

Section 6. Election of Directors. Election of directors entitled to be elected by the Members shall be held at the annual meeting or at a special meeting of the Members called for such purpose. The election shall be by secret ballot (unless dispensed with by unanimous consent of the Members in good standing present and voting) and by a plurality of the votes cast. Cumulative voting for directors is not authorized.

Section 7. Meetings of the Board of Directors. Meetings of the Board of Directors, or committees thereof, regular or special, may be held either within or without the State of Alabama. A regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of Members. Other regular meetings may be held upon such notice and at such time and place as shall be determined by the Board. Special meetings of the Board of Directors may be called by the President or by any two directors on three days written notice to each director, delivered personally or mailed or emailed to each Director at his business address or by telegram. The Secretary, at the request in writing of the President or any two directors, shall send such written notice on his or their behalf. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If by telegram or email, such notice shall be deemed to

be delivered when the telegram or email is delivered to the telegraph company or sent via email provider. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting. Membership may or may not be notified of Board or Director Meetings.

- (i) At least two (2) such meetings shall be held during each fiscal year with at least one every six (6) months. The first meeting of the newly elected Board following each regular annual meeting of the membership shall be held within thirty (30) days after such meeting at such time and place as shall be fixed by the Board. These meetings are not required to be held as open meetings to the Members.
- (ii) Special meetings of the Board shall be held when called by a written notice signed by any Officer of the Association, or by any two (2) Directors.

Section 8. Meeting by Telephone. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

Section 9. Quorum of the Board. A majority of the whole number of directors of the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally noticed. If a quorum is present when a meeting is convened, the directors present may continue to do business, taking action by a vote of a majority of a quorum as fixed above, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum present, or the refusal of any director present to vote.

Section 10. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 11. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors or a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all

of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote of the Directors or of the members of such committee.

Section 12. Death or Resignations. In the event of death, resignation, or removal of a Director elected by the Association, such Director's successor shall be selected by a majority of the remaining members of the Board and shall serve for such Director's unexpired term. Any director of the Association may resign at any time, either by oral tender of resignation at any meeting of the Board or by giving written notice thereof to the person acting as secretary of the meeting before the adjournment thereof or by giving such notice to the Secretary of the Association. Such resignation shall take effect at the time specified therefor and the acceptance of such resignation shall not be necessary to make it effective.

Section 13 Removal of Directors. Any Director appointed by the Board or duly elected by the Association may be removed from office prior to the expiration of his or her term, with or without cause, upon a two thirds (66%) majority vote of the voting Members at a meeting properly called for such purpose. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Any Director appointed by the Developer may only be removed by the Developer.

Section 14 Voting Procedure for Directors. The first election of the Board shall be conducted at the first meeting of the Association, after Developer surrenders control. At such election, the Voting Members may cast one vote, in respect to each vacancy. The persons receiving the largest number of votes shall be elected. Nothing to the contrary withstanding, the Developer shall be allowed to nominate one Director to the Board to be voted on by the Members at the time of elections as long as the Developer owns a lot in the subdivision.

Section 15 Appointment By Developer. The Developer shall have the right to appoint at least two (2) members of the Board until such time as the Developer has surrendered control of the Association to the Members.

Section 16. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected to serve until the next annual meeting of Members. Any Directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 17. Committees of Directors. The Board of Directors, by resolution passed by a majority of the whole Board of Directors, may designate from among its members one or more committees, each committee to consist of one or more of the Directors of the Association. Each such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors, except that no such committee shall have the authority of the Board in reference to amending the Articles of Incorporation or By-laws, recommending to the Members a voluntary dissolution of the Association or a revocation of a dissolution, or filling vacancies in the Board of Directors. Such

committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 18. Compensation. By resolution of the Board of Directors, the Directors may be paid their expense, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a Director or both. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 19. Budgets. Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all the Members, and shall set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery or mailing of the budget to the Members. Unless at that meeting a majority of all the Members present in person or by proxy or any larger vote specified in the Articles of Incorporation or by-law reject the budget, the budget shall be deemed ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

Section 20. Related Party Transactions. As provided in the Articles of Incorporation, no contract or other transaction between the Association or any person, firm, association or corporation and no other act of the Association shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the 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 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 Association, provided that the fact that he, 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 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 were not so related or interested. Any director of the Association may vote upon any contract or other transaction between the Association and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

Common or interested Directors may not be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes approves or ratifies such contract or transaction.

Section 21 Primary Duty and Power. The primary duty of the Board shall be the responsibility for the management and administration of the affairs of the Association, and the Board shall have all of the powers necessary and authorized by law to accomplish same.

Section 22 Accounting Method. Unless otherwise approved by resolution of the Board, the accrual accounting method, as defined by generally accepted accounting practices, shall be used. Quick Books has been adopted by the Board as the primary method of accounting.

Section 23 Segregation of Cash Accounts. The Board shall segregate all cash accounts of the Association and shall not be commingle such accounts with any other accounts.

Section 24 Reporting. Commencing at the end of the first fiscal year which the first lot is sold and closed, the Board shall prepare,

- (i) An Income Statement reflecting all income and expense activity for the preceding twelve (12) months on an accrual basis; and
- (ii) An Account Activity Statement reflecting all receipt and disbursement activity for the preceding twelve (12) months on an accrual basis; and
- (iii) An Operating Statement for the Association's said fiscal year and a Balance Sheet as of the last day of the Association's fiscal year, all of which shall be distributed within ninety (90) days after the close of a fiscal year; and
- (iv) a Delinquency Report listing all Lot owners who have been delinquent during the preceding twelve (12) month period in paying the monthly assessments or other installments of assessments and who remain delinquent at the time of the report and describing the status of any action to collect such installments which remain delinquent.

Section 25 Assessment and Borrowing For Improvement. The Board shall first obtain the approval of the voting Members to assess lot owners either as a general or special assessment or to borrow funds in the name of the Association for the purpose of modifying, improving, or adding amenities to the Common areas of the Subdivision.

Section 26 Assessment and Borrowing For Repair. Notwithstanding anything contained herein to the contrary, the Board shall have the expressed power to assess lot owners and borrow money for the limited purpose of maintenance, repair and/or restoration of the Common Areas and facilities without the approval of the voting Members of the Association.

Section 27 Impose Fine and Suspend Voting Rights. The Board shall have the authority to impose a fine or suspend the voting rights of a voting Member, including the Developer, for violation of these By-Laws, the Articles, the Declaration, or any rule or regulation established by the Board, after the following procedures are followed by the Board, to-wit:

- (a) Notice and Demand. Written notice and a demand to cease and desist from an alleged violation shall be served upon the alleged violating Member, and said notice and demand shall set forth
 - (i) The alleged violation; and

- (ii) The action required to abate the violation; and
- (iii) A time period, not less than seven (7) days to abate the action without further sanction.

(b) Continued or Subsequent Violation. If an alleged violating Member continues such violation after the time period allowed in the demand for abatement or otherwise commits such violation again within twelve (12) months of said written demand, the Board or its delegate shall serve the violator with written notice of a hearing to be held in executive session by the Board or a special committee, and such notice shall contain

- (i) The nature of the alleged violation; and
- (ii) The date, time and place of the hearing, which date shall not be less than seven (7) days from the giving of the notice; and
- (iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on such violator's behalf; and
- (iv) The proposed sanction intended to be imposed.

(c) Hearing. A hearing shall be held in executive session by the Board or a special committee organized specifically for said hearing, and said hearing shall afford the violating Member a reasonable opportunity to be heard.

(d) Proof of Notice. Prior to the effectiveness of any sanction hereunder, proof of proper notice and the invitation to be heard shall be place in the minutes of the hearing, and such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, are entered by the officer or other official effectuating said delivery. Notice shall be deemed satisfied if the alleged violator appears at the meeting.

(e) Minutes. Minutes of the hearing shall be duly recorded, and such minutes shall contain a written statement of the results of the hearing and the nature of any sanction imposed.

(f) Appeal to Board. If such hearing was held by a committee, the violator shall have the right to appeal any adverse decision of the committee to the Board. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Association within fifteen days after the hearing date.

Section 28 Other Duties and Powers. In addition to the foregoing, or by any resolution of the Association hereafter adopted, the Board shall also have the following duties and powers, to-wit:

- (1) The Board may do all acts and things not prohibited by the Declaration, Articles, or these by-laws or otherwise directed to be done and exercised exclusively by the Members.

- (2) The Board may delegate to any Board member the authority to act on behalf of the Board on all matters relating to the duties of any manager or other managing agent, if any.
- (3) The preparation and adoption of an annual budget in which shall be established the contribution of each lot Owner to the Common Expenses.
- (4) To make such assessments as necessary to defray the Common Expenses of the Subdivision and the Association, and establish the means and methods of collecting such assessments and the period of time and number of installment payments of such assessments.
- (5) To provide for the operation, care, upkeep, maintenance and administration of all of the Common Areas of the Subdivision.
- (6) To designate, appoint, hire and dismiss the personnel necessary for the maintenance, operation, repair, and replacement of the Subdivision property and the proper administration and management of the Association.
- (7) To provide, where appropriate, for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties in the operation, management, maintenance, and care of the Association and the Common Areas of the Subdivision.
- (8) To collect assessments and deposit same in a bank depository approved by the Board, and using such proceeds to administer and manage the Association and the Subdivision.
- (9) To open bank accounts on behalf of the Association and designate the signatories required therefore.
- (10) To make or contract for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other major provisions of the Declaration and these Bylaws as may be needed from time to time by reason of fire or other damage.
- (11) To make and amend rules and regulations as necessary from time to time regarding the use and enjoyment of the Common Areas of the Subdivision.
- (12) To enforce by legal means the provisions of the Declaration, these by-laws, and any rules and regulations adopted by the Board.
- (13) To institute any proceedings necessary to protect the best interest of the Subdivision, the Association and the lot owners.

(14) To obtain and maintain insurance against casualties and liabilities, and bonding of the Board as determined by the Board, and pay the premium cost thereof.

(15) To pay the cost of all services rendered to the Association or its Members.

(16) To keep financial and other records with detailed accounts of all receipts and expenditures regarding the operation, management and administration of the Association and the Subdivision, including, but not limited to all expenses for maintenance and repair of the Common Areas of the Subdivision.

(17) To keep and maintain all books and other Association records in accordance with generally accepted accounting practices.

(18) To make all books and other Association records available to lot owners for examination by the lot owners and their mortgagees and their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and place and in a manner set by the Board.

(19) To make available to any prospective purchaser of a lot, or any owner of a lot, or any first mortgagee, and the holders, insurers, and guarantors of a first mortgage on any lot, current copies of the Declaration, the Articles, the by-laws, any rules and regulations governing the lots and lot owners, and all other books, records, and financial statements of the Association.

(20) To permit utility suppliers to use such portions of the Common Areas as reasonably necessary to further the ongoing development and operation of the Subdivision.

(21) To enforce section of the Covenants in regard to Section 4.18 – in all aspects including the requirement for the owner, at his/her expense, keep his/her properly mowed and trimmed and maintain his/her yard and landscaping in good order and condition free of trash, dead trees and plants, and unsightly debris at all times.

ARTICLE IV OFFICERS

Section 1. Positions. The officers of the Association shall consist of a President, one or more Vice-Presidents, a Secretary, and a Treasurer (collectively the "Executive Officers"), and such other officers and assistant officers as may be deemed necessary and as may be elected or appointed by the Board of Directors. Any number of offices may be held by the same person except the President may not be the secretary at the same time.

Section 2 Concurrent Offices. Any two or more offices may be held concurrently by the same person, except the offices of President and Secretary which may not be held by the same person.

Section 3 Initial Officers. The Developer shall elect the initial officers, and they shall serve until the Developer has surrendered control of the Association to the voting Members. Thereafter, all such officers shall be duly elected by the Board.

Section 4. Election and Term of Office. The Executive Officers shall be elected annually by the Board of Directors at the first meeting of the directors following the annual meeting of the Members. If the election of such officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. The remaining officers, if any, shall be elected by the Board of Directors at the same meeting as the Executive Officers are elected or at any regular or special meeting of the Board of Directors.

Each officer shall hold office at the pleasure of the Board of Directors or until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 5 Election. The Board shall elect the officers of the Association at the first meeting of the Board following each regular annual meeting of the voting Members as set forth herein.

Section 6 Resignation. Any officer may resign at any time by giving written notice to the President or any Board member, and such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and acceptance of such resignation shall not be

Section 7 Removal. Any officer may be removed by the Board, with or without cause, whenever the Board deems such removal is in the best interest of the Association.

Section 8. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of the person vacating such office.

Section 9. President. The President shall be the chief executive officer of the Association, and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He/she shall, when present, preside at all meetings of the Members and of the Board of Directors. He/she may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, contracts, notes, mortgages, deeds or other instruments in behalf of the Association, which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in

general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 10 Vice-Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the President. The Vice-President (or if there be more than one, each Vice-President) shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 11. Secretary. The Secretary shall keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the by-laws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized; keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 12. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositaries as shall be designated by the Board of Directors; and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 13. Assistant Secretaries and Assistant Treasurers. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Treasurer, or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. The Board of Directors may require any Assistant Treasurer to give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 14 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Vice President shall serve in the place of the President in the event of the President's absence. The Secretary shall have the primary responsibility to prepare and record minutes of meetings and be the custodian of the minute books. The Treasurer shall have primary responsibility to prepare the budget and may delegate all or part of the preparation and notification duties to a finance committee, a management agent, or other assistant.

Section 15 Execution of Agreements and Contracts. All agreements, contracts, deeds, leases, checks, mortgages, and other legal instruments of the Associations shall be executed by at least two (2) officers of the Association or by such other person or persons as may be designated from time to time by the resolution of the Board.

ARTICLE V COMMITTEES

Section 1. General. The Board may appoint and establish committees to perform such tasks and to serve for such periods as the Board shall designate by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, and such committees shall perform such duties and have such powers as set forth and provided in the resolution.

Section 2. Covenants Committee. The Board may appoint a Covenants Committee consisting of at least three (3) and not more than five (5) members to act as the hearing tribunal of the Association in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt from time to time.

Section 3. Architectural Control Committee. The Developer shall establish an Architectural Control Committee, hereinafter referred to as the "ACC," consisting of at least three (3) and no more than five (5) voting Members. The Developer shall establish the initial ACC, and the committee shall consist of the Developer and up to four (4) other members appointed by the Developer. Members appointed by the Developer do not have to be a lot owner. The Developer, at Developer's sole option, shall have the right to retain control of and remain a member of the ACC for as long as the Developer owns any lot in the Subdivision or until the Developer surrenders control of the ACC in accordance with the Declaration. Thereafter, the ACC shall be appointed by the Board. Said ACC members shall act in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt from time to time, provided any such resolutions are not in conflict with the provisions of the Declaration.

Section 4. Chairman of ACC. The Developer shall serve as Chairman of the ACC until such time as the Developer surrenders control of the ACC. Thereafter, the ACC shall elect a chairman from among its members, and said Chairman shall be a voting Member who shall preside at the ACC meetings and shall be responsible for transmitting any and all communications to the Board.

Section 5. Purpose of ACC. The purpose of the ACC shall be to manage, maintain and enforce the continued harmonious design of all houses, structures and other improvements located in the Subdivision. The scope of review by the ACC shall be limited exclusively to appearance only. The ACC does not and shall not assume or accept any responsibility or authority to review for structural soundness or compliance with applicable building or zoning codes of standards or any other factors.

Section 6. Authority of ACC. The ACC in conjunction with the Board shall have the expressed authority to enforce any covenant, condition, obligation or restriction contained herein or in the Declaration by any and all applicable legal means, including, but not limited to, the filing of liens and the foreclosure thereof as in the case of past due mortgages.

Section 7. Enforcement. Any lot owner against whom any such enforcement is sought shall be liable to the ACC, Board and the Association for all costs incurred by the ACC, Board and the Association for such enforcement, including reasonable attorneys fees.

Section 8. ACC Approval. No construction of any kind shall be commenced and no permit, authorization or approval required shall be issued for such construction on any lot in the Subdivision without first obtaining the affirmative vote of a majority of the members of the ACC and the Board, which shall also include any construction, remodel, renovation, repair, painting, and color of any new or existing house, building, storage or other outbuilding, fence, or other structure, or any part thereof, or any other construction which materially alters or otherwise changes the exterior appearance thereof.

ARTICLE VI MISCELLANEOUS

Section 1. Rights of the Association. With respect to the Common Areas or other Association responsibilities owed, and in accordance with the Articles and By-Laws, the Association shall have the right to contract with any person or entity for the performance of various duties and functions.

Section 2. Fiscal Year. The initial fiscal year of the Association shall be set by the Board.

Section 3. Parliamentary Rules. The current edition of Robert's Rules of Order shall govern the procedures and conduct of all Association and Board proceedings when not in conflict with Alabama law, the Articles, the Declaration, or these Bylaws; however, the Board shall have the authority to modify such procedures by resolution.

Section 4. Conflicts. In the event of any conflict or inconsistency between the provisions of Alabama Law, the Articles, the Declaration, and these Bylaws, the provisions of Alabama law, the Declaration, the Articles, and the By-Laws shall prevail in that order.

Section 5. Inspection of Records. The Declaration, the Articles, these By-Laws, membership register, accounting records, and minutes of meetings of the Members, the Board, and the committees, shall all be made available for inspection and copying by any mortgagee, voting Member of the Association, or the duly appointed representative of such Member or mortgagee at any reasonable time and for a purpose reasonable related to such Member's interest at the office of the Association or at such other place within the Subdivision as the Board shall prescribe. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of the Association and the physical properties owned or controlled by the Association, such right of inspection by Directors shall include the right to make a copy of relevant documents at the expense of the Association.

Section 6. Rules for Inspection of Records. The Board shall establish reasonable rules regarding the inspection of Association books and records, including, but not limited to,

- (i) Notice to be given to the custodian of the records;
- (ii) Hours and days of the week when such an inspection may be made;
- and
- (iii) Payment of the cost of reproducing copies of documents requested.

Section 7. Notice to Association. Unless otherwise provided elsewhere in these By-Laws, the Declaration, or the Articles, all communications to the Association or the Board shall be at the principal office of the Association or the Association's designated managing agent, if any, or at such other address designated by the Association.

Section 8. Notice to Members. Unless otherwise provided elsewhere in these By-Laws, the Declaration, or the Articles, all notices, demands, and other communications to Members required herein shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid, to the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the lot owned by such owner.

Section 9. Amendment. Except as otherwise provided herein, the Declaration, or the Articles, these By-Laws may only be amended by the affirmative vote or written consent of the voting Members representing Sixty-six percent (66%) of the total eligible votes of the Association; however, if a specific clause requires a higher percentage, the percentage of the votes necessary to amend such specific clause shall control and be required. All amendments must be executed by both the President and the Secretary of the Association.

Section 10. Amendment By Developer. Notwithstanding Section 6.09 herein or any other document to the contrary, the Developer may unilaterally amend these By-Laws at any time as long as the Developer owns a lot in the Subdivision, provided, however, any such unilateral amendment has no adverse effect upon any right of any voting Member. Such amendments include, but shall not be limited to amendments to comply with procedures and requirements of any national primary or secondary or other lender or FNMA, FHA, VA, or other governmental agency or department.

Section 11. Corporate Seal. The Board of Directors shall select a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and the words "Alabama" and "Corporate Seal". The seal of the Association may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 12. Contracts. The Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any note, mortgage, deed or other instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 13. Loans. No loan shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 14. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents of the Association and in such manner as shall from time to time be authorized by the Board of Directors.

Section 15. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII INDEMNIFICATION

Section 1. Indemnification in Actions Arising Out of Capacity as Director or Officer. The Association shall indemnify each director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Association), by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Indemnification in Actions by or in Right of Association. The Association shall indemnify each director or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Indemnification When Successful on Merits or Otherwise. To the extent that a director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, notwithstanding that he has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

Section 4. Determination of Meeting Applicable Standard. Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in such Section. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even it obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the Members.

Section 5. Payment of Expenses in Advance of Disposition of Action. Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Association in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in Section 4 of this Article upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if and to the extent that it shall be ultimately determined that he is not entitled to be indemnified by the Association as authorized in this Article.

Section 6. Nonexclusivity of Article. The indemnification authorized in and provided by this Article shall not be deemed exclusive of and shall be in addition to any other right (whether heretofore or hereafter created) to which those indemnified may be entitled under any statute, rule of law, provisions of the Articles of Incorporation, By-laws, agreement, vote of Members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 7. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association, or any director or officer of the Association who is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association is required or permitted to indemnify him against such liability under the provisions of this Article or any statute.

Section 8. Extension of Benefits of Article to Other Employees or Agents. All or any of the benefits of this Article may be extended to other employees or agents of the Association by the Board of Directors in its discretion at any time and from time to time.

ARTICLE VIII

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or director of the Association under the provisions of the Constitution of Alabama, the Act, the Articles of Incorporation, or the By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or any committee designated thereby need be specified in the waiver of notice. The attendance of a Member or director at a meeting shall constitute a waiver of notice of such meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a person signs the minutes of a meeting of the Members or the Board of Directors or any committee thereof, his signing of the minutes of such meeting, even though he may not have been present, shall constitute a waiver of notice of the meeting and assent to all action taken at the meeting entered in the minutes of such meeting except such action as he shall have dissented against at the meeting and which shall be entered in the minutes of the meeting.

ARTICLE IX

AMENDMENTS

These By-laws may be altered, amended or repealed and new By-laws may be adopted by the Members at any regular or special meeting, provided, however, that the Members may not alter, amend or repeal any By-law or adopt new By-laws if such alteration, amendment, repeal or adoption results in any provision in the By-laws that conflicts with the Declaration.

If any provision of these By-laws conflicts with any provision of the Declaration, the provisions of the Declaration shall govern.

ARTICLE X

EMERGENCY BY-LAWS

The emergency By-laws provided in this Article shall be operative during any emergency in the conduct of the business of the Association resulting from an attack on the United States or any nuclear or atomic disaster or during the existence of any catastrophe or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action, notwithstanding any different provision in the preceding Articles of the By-laws or in the Articles of Incorporation or in the Act. To the extent not inconsistent with the provisions of this Article, the By-laws provided in all other Articles shall remain in effect during such emergency and upon the termination of such emergency, these emergency By-laws shall cease to be operative.

(a) A meeting of the Board of Directors may be called by any officer or director of the Association. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgement of the person calling the meeting.

(b) At any such meeting of the Board of Directors, a quorum shall consist of one (1) director.

(c) The Board of Directors, either before or during such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any and all officers or agents of the Association shall for any reason be rendered incapable of discharging his or their duties.

(d) The Board of Directors, either before or during any such emergency, may, effective in the emergency, change the principal office of the Association or designate several alternative principal offices, or authorize the officers so to do.

No officer, director, or employee acting in accordance with these emergency By-laws shall be liable except for willful misconduct.

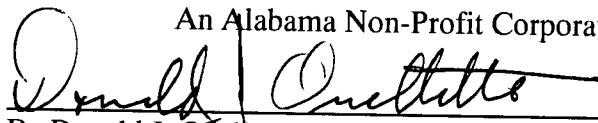
These emergency By-laws shall be subject to repeal or change by further action of the Board of Directors or by action of the Members, but no such repeal or change shall modify the

provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these emergency By-laws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

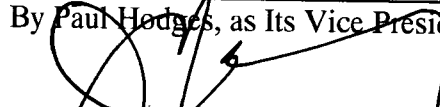
CERTIFICATION

IN WITNESS WHEREOF, I, the undersigned President & Secretary of THE MADISON PLACE PROPERTY OWNERS ASSOC., INC., an Alabama non-profit corporation, do hereby certify the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted at a meeting of the Board thereof, and I have caused these By-Laws to be properly executed on this 20 day of May, 20 10.

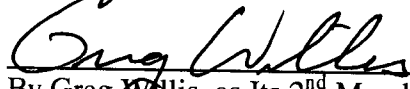
ATTESTED: THE MADISON PLACE PROPERTY OWNERS ASSOC., INC.
An Alabama Non-Profit Corporation


By Donald J. Gueltette, as Its President

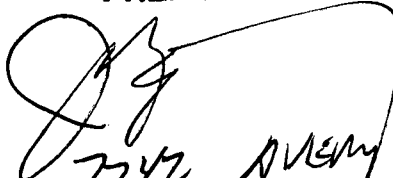

By Paul Hodges, as Its Vice President


By Joseph A. Lemoine, Jr. as Its Secretary


By Terry Banfield, as Its 1st Member at Large


By Greg Willis, as Its 2nd Member at Large

**THIS INSTRUMENT
PREPARED BY**


7742 AVERY LN
DAPHNE, AL 36826

STATE OF ALABAMA
COUNTY OF BALDWIN

MADISON PLACE

**DECLARATION OF RIGHTS, COVENANTS, RESTRICTIONS
AFFIRMATIVE OBLIGATIONS AND CONDITIONS**

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

2003 September-11 1: PM

Instrument Number 757759 Pages 16
Recording 48.00 Mortgage
Deed Min Tax 5.00
Index PP
Archive 5.00
Adrian T. Johns, Judge of Probate

THIS Declaration made this 5th day of May, 2003, by Elite Development, LLC, an Alabama limited liability company, hereinafter called "Developer";

WITNESSETH

WHEREAS, Developer is the owner of the real estate described herein (the "Property");
and

WHEREAS, Developer desires to subdivide and improve the Property and to create thereon a residential subdivision, and to provide for the preservation of the values and amenities in the Subdivision and to thereby advance the general welfare of the community; and to that end to place certain beneficial restrictions upon the Property for the purposes of insuring that it will be used for its intended purposes as set forth herein, and to prevent nuisances and impairment of the attractiveness of the Subdivision, and thereby to secure to the Owner of each Lot the full benefit and enjoyment of his home with no greater restriction on the free and undisturbed use of his Lot than is necessary to insure the same advantages to the other Owners; and

WHEREAS, Developer deems it desirable for the efficient preservation of the values and amenities in the Subdivision to create a nonprofit corporation, which shall have the power to manage, maintain and care for the Common Elements and all other powers and duties set forth herein; and

WHEREAS, for the purpose of exercising said functions, Developer has incorporated under the laws of the State of Alabama Madison Place Property Owners Association, Inc., a nonprofit corporation (the "Association"), which shall be the homeowners association with respect to the Subdivision within the meaning of Sec. 528 of the United States Internal Revenue Code (the "Code"), and the Regulations thereunder;

NOW, THEREFORE, Developer hereby declares that the real estate described in Exhibit "A" attached hereto and made a part hereof, located in Baldwin County, Alabama, shall be subdivided, held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

1.2 Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

(A) "Association" means Madison Place Property Owners Association, Inc., an Alabama nonprofit corporation, its successors and assigns.

Unless the context otherwise requires, all references herein to the Board of Directors or the Board, or to the Articles of Incorporation or Bylaws or to the President or Secretary or any other officer, shall mean, respectively, those of the Association.

(B) "Common Elements" means all portions of the Subdivision other than the Lots and the public street(s) and right(s)-of-way, including, without limitation, the Drainage

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System and all open spaces, landscaping, and other common areas and facilities in or appurtenant to the Subdivision, and all other property, whether real or personal, from time to time held by the Association for the common benefit and enjoyment of the Owners.

(C) "Common Expense Liability" means the liability for Common Expenses allocated to each Lot as provided herein.

(D) "Common Expenses" means expenditures made by or financial liabilities of the Association, including, but not limited to, expenditures made by or financial liabilities of the Association for the maintenance and repair of the public street(s) and right(s)-of-way in the Subdivision until the County or Municipality assumes the responsibility for the maintenance thereof, and for the management, maintenance, and care of the Common Elements, and the administration and enforcement of the rights, covenants, restrictions, affirmative obligations and conditions set forth in this Declaration, together with any allocations to reserves therefor.

(E) "County" means Baldwin County, Alabama, or, if the context so requires, an agency thereof.

(F) "Declaration" means this Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions applicable to the Subdivision as recorded in the Office of the Judge of Probate of Baldwin County, Alabama, as the same may be amended from time to time.

(G) "Developer" means Elite Development, LLC, an Alabama limited liability company, its successors and assigns of its development rights in respect to the Subdivision.

(H) "Drainage System" means the storm and flood water retention areas and drainage system in the Subdivision, including all easements and rights-of-way appurtenant thereto.

(I) "Lot" means a Lot in the Subdivision as shown on the Plat.

(J) "Member" means any Person having membership rights in the Association as provided herein.

(K) "Municipality" means the municipality, if any, having and exercising subdivision planning jurisdiction over the Subdivision, or, if the context so requires, an agency of such municipality.

(L) "Owner" means the record owner, whether one or more Persons, of a vested interest in the fee simple title to a Lot. If title to a Lot is split between estates for life or for years, and remainder, then the owner or owners of the estate having present rights to possession shall be considered the Owner for the purposes hereof. Notwithstanding any applicable theory of the mortgage, "Owner" shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title, whether subject to redemption or not, pursuant to foreclosure or any proceeding in lieu thereof. After any mortgagee, lien holder or purchaser at foreclosure sale acquires title by foreclosure or proceedings in lieu of foreclosure, he shall be an become the "Owner" within the meaning of this Declaration, and the mortgagor or mortgagors shall no longer be an Owner regardless of whether there is outstanding a right of redemption.

(M) "Person" means a natural person, corporation, partnership, limited liability company, association, trust, estate, fiduciary, or other legal entity.

(N) "Planning Commission" means the Baldwin County Planning and Zoning Commission, or, if a municipality has and exercises subdivision planning jurisdiction over the Subdivision, the Planning Commission of the Municipality.

(O) "Plat" means the Final Plat of the Subdivision, or, if the Subdivision is developed in phases, of each phase thereof, approved by the Planning Commission and recorded

in the Office of the Judge of Probate of Baldwin County, Alabama.

(P) "Property" means the land described in Exhibit "A" hereto and all improvements thereon, and all easements, rights and appurtenances thereunto belonging. If additional land is added to the Subdivision, "Property" shall include such land and the improvements thereon when added to the Subdivision by conveyance recorded in the Office of the Judge of Probate of Baldwin County, Alabama, designating the land described therein as an addition to the Subdivision.

(Q) "Subdivision" means the Property when subdivided, laid out and platted in accordance with the Plat.

(R) "Subdivision Regulations" means the subdivision regulations of the County or Municipality applicable to the Subdivision.

All other terms used in this instrument and in the Subdivision Regulations shall have the same meanings herein as in such regulations unless the context of this instrument otherwise requires.

ARTICLE II

CREATION OF SUBDIVISION

The name of the Subdivision shall be "Madison Place". The Property shall be subdivided, laid out and platted in accordance with the Plat when approved by the Planning Commission and recorded in the Office of the Judge of Probate of Baldwin County, Alabama. The Developer expressly reserves the right but shall have no obligation to add additional real estate to the Subdivision.

ARTICLE III

PERMITTED USE

3.1 All Lots shall be restricted to single-family residential use; provided, however, that nothing herein contained shall prohibit an Owner from renting his house, whether on a long-term or short-term basis, as long as it is used exclusively for single-family residential purposes by the tenant; nor shall anything herein contained prohibit an Owner (or his tenant) from maintaining an office or work place in his home or an accessory building if and to the extent permitted by the Subdivision Regulations and applicable zoning ordinances; and provided, further, that until such time as Developer no longer owns any Lot in, or planned for, the Subdivision (including all planned additional phases), Developer shall have the right to maintain a sales office and/or a management office and/or one or more model homes in the Subdivision and to maintain signs therein advertising the Subdivision and to conduct its business and sales activities pertaining to the Subdivision therein and therefrom. The term "single-family residential use" or any similar term used in this Declaration refers to the character of the dwellings in the Subdivision and not to the number of persons that may own any Lot; provided, however, that no Lot shall contain more than one dwelling.

3.2 No Lot shall be further divided or resubdivided unless all portions of the Lot are used to increase the size of a Lot or Lots adjacent to the same and, if required, the Planning Commission approves such division or resubdivision. All expense of obtaining such approval and, if required, amending the Plat accordingly shall be borne by the Owner requesting such approval.

ARTICLE IV

RESTRICTIONS

4.1 Buildings.

(a) No house or other building or structure shall be erected, altered, placed or permitted on any Lot until the construction plans and specifications have been approved by (i) the Developer, or, (ii) upon termination of the period of Developer control of the Association pursuant to Section 6.7, by the Association, provided, however, that in either such case the Developer or the Association, as the case may be, may waive such requirements at any time and from time to time in general or on a case by case basis, provided that such waiver is in writing and signed by a Manager of the Developer, or, in the case of the Association, by the President or other officer or director authorized by the Board of Directors.

(b) No house or other building or structure shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling and no more than two (2) accessory buildings and such other structures as shall be incidental to residential use. The accessory buildings/structures, if any shall be shielded from view by a wooden privacy fence not to exceed six feet in height. Fence construction must be completed within two weeks. No barns will be permitted. For the purposes of this subparagraph, a garage or carport attached to any building on a Lot shall not be considered a building or structure separate from that to which it is attached.

The accessory buildings/structures, if any, on each Lot shall be designed in such fashion as to blend with the design of the house and the surroundings and shall be located so as to minimize visibility from the street. Accessory Buildings must have shingled roofs that are the same in color as the house. All landscaping of any Lot shall be completed within ninety (90) days from the completion of construction of the house.

(c) No flat, duplex, apartment or other dwelling designed to accommodate more than one family shall be permitted on any Lot.

4.2 Living Area. The living area of each house shall contain not less than one thousand three hundred fifty (1,350) square feet. The living area of the first floor of any house containing more than one story shall not be less than one thousand (1,000) square feet. In determining the number of stories in any house, the attic and basement, if any, shall not be counted. In determining the living area of any house, carports, garages and open porches shall not be counted.

No house, building or other structure on any Lot shall be occupied or used by the Owner for any purpose until the same has been substantially completed and, if required by law, a Certificate of Occupancy therefor has been issued by the appropriate governmental authority.

4.3 Building Set Backs. No part of any building or other structure on a Lot (other than walls and fences permitted under Section 4.6) shall be located closer to any property line of the Lot than the minimum building set back lines shown on the Plat. If the Plat does not show the building set back lines for a Lot, the minimum set back lines applicable to such Lot shall be 30 feet from the front line of the Lot; 10 feet from each side line of the Lot; and, in the case of the house, 25 feet from the rear line of the Lot, or, in the case of all other structures on the Lot (other than a wall or fence permitted under Section 4.6), 10 feet from the rear line of the Lot. The front line of all Lots shall be the property line adjoining a Subdivision street, or, if a corner Lot, as designated on the Plat.

The foregoing set back lines are the minimum set back lines applicable to each Lot. If the Planning Commission, or any other governmental agency or authority, requires different minimum building set back lines as to any particular Lot, the set back lines applicable to the Lot shall be the greater of (a) those shown on the Plat or as set forth above, as the case may be, or (b) those required by the Planning Commission or such governmental agency or authority.

4.4 Water and Sewer Service. The Owner of each Lot shall be required to connect to and use the central water distribution system and central sanitary sewage disposal system serving the Subdivision, and shall be responsible for paying all connection fees and assessments. No septic tanks will be permitted.

4.5 Secondary Utility Service. Each Owner shall be responsible for the installation, at his expense, of all secondary utility service to his Lot and from area to area on his Lot, all of which shall be underground.

4.6 Walls and Fences. No cyclone, chain link or wire fencing will be allowed. All privacy fences shall be wooden with a maximum height of six feet. Fences will be permitted in the rear yards of home, which extends from the rear property line to the front most plane of the house.

4.7 Garages. If there is more than one garage on any Lot, the principal garage must be attached to the house as an integral part of the house. If located on the side of the house, the principal garage may extend toward the front line of the Lot beyond the front of the house, but not closer to the front line of the Lot than is permitted under Section 4.3.

Any additional garage must be located to the rear of the rear most plane of the house, and must be designed in such fashion as to blend with the design of the house. All garages must be capable of storing two vehicles. Garage doors should remain closed at all times except during times when vehicles and equipment are being moved in or out.

As used herein, "garage" includes, but is not limited to, portecocheres and carports.

4.8 Equipment. All heating, ventilation and air conditioning equipment, including, without limitation, compressors, and all gas meters, butane tanks and other mechanical and/or electrical devices on any Lot shall be located to the rear of the front most plane of the house, and shall be visually screened from the street and adjoining Lots.

4.9 Garbage Disposal Containers. Outside garbage disposal containers must be located to the rear of the rear most plane of the house and no closer to any property line of the Lot than the minimum building set back lines applicable to the Lot, and must be in either underground covered receptacles or visually screened from the street and adjoining Lots. All outside garbage disposal equipment and containers shall be kept in a clean and sanitary condition. No Lot shall be used as a dumping area for rubbish of any kind.

No trash or other refuse shall be kept, stored or allowed to accumulate except between scheduled pickups and in accordance with the provisions hereof. If trash or other refuse is to be picked up and carried away on a regular recurring basis, it must be placed in sanitary containers and only on the scheduled pick up date or the night before may be placed on the Lot to provide access to the Person making the pick up.

4.10 Satellite Dishes. All satellite dishes must be located to the rear of the rear most plane of the house and no closer to any property line of the Lot than the minimum building set back lines applicable to the Lot, and must be visually screened from the street and adjoining Lots.

4.11 Exterior Lighting. Exterior lighting shall be recessed or directed downward and away from neighbors' yards.

No lighting shall be located so as to interfere with vehicular traffic or become a nuisance to neighbors by adversely affecting the nighttime environment of adjacent properties.

4.12 Clothes Lines. No outside clothes line shall be permitted at any time unless visually screened from the street and adjoining Lots.

4.13 Signs. No signs of any kind shall be placed or maintained upon any Lot at any time by anyone, including, without limitation, the Owner, a realtor, contractor, or subcontractor, except for the following approved signs of not more than six (6) square feet: (a) one (1) "For Sale" or "For Rent" sign; (b) one (1) sign by the builder during the construction period not to exceed one hundred eighty (180) days; (c) any sign or signs required to be posted by statute, ordinance, or governmental rule or regulation, or court order; or (d) any sign which has been specifically approved in writing by the Association. The Association shall have the right to

restrict the size, color, content, location, number and method of display of each approved sign. All "For Sale" or "For Rent" signs shall contain only the Lot or street number, real estate company (and individual agent if desired) and telephone number. All contractor signs shall contain only the Lot or street number, name of the Owner and/or the general contractor, and telephone number. Signs must be placed parallel to the street and may not be displayed from the interior of any house, out building or other structure so as to be visible from the exterior. Nothing herein contained, however, shall prevent the placing or maintenance of any sign or signs of any kind anywhere in the Subdivision by the Developer advertising the Subdivision or its sales activities pertaining to the Subdivision as long as Developer owns a Lot in the Subdivision which has not been previously conveyed to a Person other than the Developer.

4.14 Animals. No bees or other insects, chickens, horses, pigs, cows, sheep, goats or other recreational, work, farm or large animals of any kind shall be kept or maintained in the Subdivision at any time, temporarily or otherwise. As provided in Section 6.17, the Association may, in its discretion, from time to time adopt and amend reasonable Rules and Regulations pertaining to the kinds and number of pets that an Owner shall be permitted to have in the Subdivision, and the Association is authorized to enforce such Rules and Regulations if and to the extent so adopted by it. All pets that are kept or maintained by any Owner shall be fenced or restrained in such manner that they cannot run loose in the Subdivision, or become an annoyance or nuisance to the neighborhood. No commercial breeding or boarding of animals shall be permitted in the Subdivision.

4.15 Trailers Trucks, Mobile Homes, Boats and Prohibited Uses. No house trailer, truck (other than a pick-up truck), or mobile home shall be permitted on any Lot, except trucks may be permitted for use during construction and temporary repairs to any building, structure or other improvement on the Lot. Travel trailers, hauling trailers, "habitable motor vehicles", boats and boat trailers must be shielded from view by a privacy fence.

No trailer, mobile home, camper, recreational vehicle or other vehicle, or boat shall at any time be used as a dwelling, temporarily or otherwise.

4.16 Basketball Backboards and Other Fixed Play Structures. No basketball goals or backboards or other fixed game or play structures shall be located on any Lot except on the side or rear of the house or garage or unless the same is screened from the street.

4.17 Activities. No trade, business or commercial activities of any kind (other than as permitted by Section 3.1 and the activities of Developer and/or the Owner of a Lot, and their respective contractors and subcontractors, during the construction, repair and maintenance of the improvements on and landscaping of the Lot), or obnoxious, offensive, or illegal activity shall be permitted or conducted upon any Lot or elsewhere in the Subdivision, nor shall anything be done thereon that may be or become an annoyance or a nuisance to the neighborhood or violation of the laws and regulations of the United States of America, the State of Alabama, the County or Municipality, or this Declaration, or the Articles of Incorporation or Bylaws. No junk, inoperable motor vehicles or other unsightly personal property shall be kept or maintained on any Lot or elsewhere in the Subdivision except for minor emergency repairs. Inoperable motor vehicles or those in a state of disrepair, shall be made operable or repaired at locations other than within the Subdivision.

4.18 Each Owner's Obligation to Repair. All buildings, structures and improvements on each Lot shall at all times be maintained and kept in a proper and good state of repair by the Owner of the Lot, at his expense. All exposed painted areas of all buildings, structures and improvements on each Lot shall also be kept well painted by the Owner of the Lot, at his expense. The Owner of a Lot shall, at his expense, keep his grass properly mowed and trimmed and maintain his yard and landscaping in good order and condition free of trash, dead trees and plants, and unsightly debris at all times.

4.19 Adjoining Lots. For the purposes of this instrument, and subject to the approval of the Planning Commission, if required, any Owner having two or more adjoining Lots may combine such Lots. All expense of obtaining such approval shall be borne by the Owner

requesting such approval. Thereafter, the combined Lots shall be deemed a single Lot for all purposes hereunder.

ARTICLE V

EASEMENTS

The easements shown on the Plat are hereby adopted as part of these restrictions. Developer reserves unto itself and its successors and assigns the right and easement, but does not assume any obligation, to construct, install, maintain, repair or replace power, water, gas, sewer, telephone or other utility lines, equipment or facilities or drainage ditches within the easements shown on the Plat, and to construct, install, operate, maintain, repair, or replace walls, fences, shrubbery, bushes, trees or other decorative or screening improvements in, on, over and under any easement shown on the Plat, with full right of ingress and egress to and from the street and said easements and the right to contract generally with others for the doing of any or all of such things as the Developer, in its discretion, may deem appropriate or convenient in connection therewith.

ARTICLE VI

OWNERS ASSOCIATION

6.1 Formation. Madison Place Property Owners Association, Inc. (the "Association"), an Alabama nonprofit corporation formed by Developer, has been organized and shall be operated to provide for the management, maintenance, and care of the Common Elements in accordance with this Declaration, the Articles of Incorporation and Bylaws, and to administer and enforce the rights, covenants, restrictions, affirmative obligations and conditions set forth herein, for the common good of the Members; and shall have the powers and duties set forth herein and in the Articles of Incorporation and Bylaws.

The Association will be the homeowners association with respect to the Subdivision within the meaning of Sec. 528 of the United States Internal Revenue Code, as amended (the "Code"), and the Regulations thereunder.

6.2 Association's Obligation to Repair. The Association, at its expense, and without any cost or expense to the County or Municipality or any other public body, shall be responsible for the maintenance and repair of the following:

(1) the Common Elements and all easements and rights-of-way within the Subdivision (except the public street(s) and right(s)-of-way after the County or Municipality or other public body assumes the responsibility for the maintenance thereof); and

(2) incidental damage caused to any Lot or the improvements thereon by any work done by the Association.

This Section shall not relieve an Owner of liability for damage caused by such Owner, his family members, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such Person. The cost of repair for any damage so caused by an Owner, his family members, guests, invitees, lessees or licensees shall be a special assessment against the Owner responsible therefor.

6.3 Membership. The membership of the Association at all times shall consist exclusively of all Owners (including Developer as long as it owns a Lot). The Developer shall be deemed to be the Owner of each Lot which has not been conveyed to a Person other than Developer; and shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Lot under this Declaration and the Articles of Incorporation, Bylaws and, if and to the extent adopted, the Rules and Regulations of the Association, as the same may be amended from time to time (collectively the "Governing Documents").

The Association shall have only one class of member. Each Owner shall cease being a member of the Association at the time he no longer owns a Lot. Change of membership in the Association shall be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama, the deed or other instrument establishing record title to a Lot, and the delivery to the Association of a true and correct photocopy of such instrument as recorded, showing all recording data, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners shall be subject to and shall comply with all of the provisions of the Governing Documents.

The Members shall not, as such, be liable for the obligations of the Association.

6.4 Meetings. The annual meeting of the Members shall be held on such date and at such time and place as shall be provided in the Bylaws. Failure to hold any annual meeting of the Members at the designated time shall not work a forfeiture or dissolution of the Association.

Special meetings of the Members may be called by the President or the Board of Directors. Special meeting of the Members may also be called by such other officers or Persons or number or proportion of Members as may be provided in the Bylaws. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Member or to any other mailing address designated in writing by such Member and filed with the Secretary. The notice of the meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Articles of Incorporation or the Bylaws, any budget changes and any proposals to levy special assessments or to remove an officer or member of the Board of Directors, provided, however, that if the initial meeting is adjourned, the purpose of the meeting need not be set forth in the notice of any subsequent meeting called for the same purpose and held within sixty (60) days of the initial meeting.

6.5 Quorum. At any initial meeting of the Members, whether regular or special, the presence at the meeting, in person or by proxy, of Members entitled to cast not less than fifty percent (50%) of all the votes shall constitute a quorum. If a quorum is not present at any such meeting, one or more subsequent meetings may be called on not less than ten (10) days written notice of each such subsequent meeting; and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the immediately preceding meeting; provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

If a quorum is present at a meeting, the affirmative vote of a majority in interest of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless a greater number is required by the Act, this Declaration, the Articles of Incorporation or the Bylaws.

6.6 Voting Rights. Each Member in good standing shall be entitled to one vote on each matter submitted to a vote of Members. On all issues decided by a vote of the Members each Owner, including Developer, shall be entitled to one vote for each Lot owned by him. If a Lot is owned by more than one Person, the Owners of the Lot, collectively, shall be considered a single Member, and may designate among themselves by proxy the one of their number entitled to vote for all of them. If only one of the multiple Owners of a Lot is present at a meeting of the Association, he shall be entitled to cast all the votes for that Lot. If more than one of the multiple Owners are present, the votes for that Lot may be cast only in accordance with a written agreement of a majority in interest of the multiple Owners, unless the Bylaws expressly provide otherwise. There shall be a majority agreement if any one of the multiple Owners of the Lot casts the votes for that Lot without protest being made promptly to the person residing over the meeting by any of the other Owners of the Lot.

An Owner may not revoke a proxy given pursuant to this Section except by written notice

of revocation filed with the Secretary prior to a meeting or actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall be void if it is not dated or purports to be revocable without notice. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

6.7 Board of Directors. The activities and affairs of the Association shall be managed by the Board of Directors, provided, however, that the Board shall not exercise any power or authority conferred herein or by the Act or Articles of Incorporation upon the Members.

The Board of Directors may not act on behalf of the Association to amend this Declaration or to elect directors or to determine the qualifications, powers and duties, or terms of office of the members of the Board of Directors, but, except as provided below, the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

The initial members of the Board of Directors named in the Articles of Incorporation shall hold office until the first annual meeting of the Members. Thereafter, directors shall be elected or appointed in the manner and for the terms provided in the Bylaws; provided, however, that the Developer may appoint and remove the members of the Board of Directors, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (i) sixty (60) days after all of the Lots in the Subdivision (including all planned additional phases of the Subdivision) have been conveyed to Persons other than Developer, or (ii) three (3) years after the first conveyance of a Lot to a Person other than Developer; provided that the Developer may, at its option, voluntarily terminate its control of the Association at an earlier date.

Until the termination of the period of Developer control of the Association, the members of the Board of Directors appointed by the Developer may, but need not be, Owners.

Upon the termination of the period of Developer control of the Association, the Owners shall elect a Board of Directors of a least three members, all of whom shall be Owners.

The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election.

6.8. Allocation of Common Expense Liabilities. Except for assessments for Common Expenses caused by the misconduct of an Owner, his invitees, licensees, employees or contractors, which shall be assessed against such Owner, all Common Expenses shall be assessed ratably against the Owner(s) of each Lot (including Developer as to all Lots owned by it). The amount of each assessment for Common Expense Liabilities allocable to the Owner(s) of each Lot shall be expressed by a percentage relating to each Lot, which shall be determined by multiplying one hundred percent (100%) times a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots in the Subdivision (including all additional phases when added to the Subdivision).

6.9 Obligations of Owners. Each Owner shall, by acceptance of title to his Lot, be conclusively presumed to have agreed to abide by the provisions of the Governing Documents, and to pay, when due, all assessments due by him to the Association, together with interest thereon from the due date at the interest rate, not to exceed the maximum legal rate, set by the Association.

6.10 Liens. The Association shall have a lien on each Lot and the improvements thereon for any unpaid assessments due by the Owner(s) thereof, duly made by the Association, together with interest thereon at the rate aforesaid, and reasonable attorney's fees and costs. Such lien shall be effective from and after the time of recording in the Office of the Judge of Probate of Baldwin County, Alabama of a claim of lien stating the description of the Lot, the name of the record Owner(s), the amount due and the date when due. Such claim of lien shall include only sums that are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien. All such liens shall be subordinate to any lien for property taxes, the lien of any mortgage of record and any other lien

recorded prior to the time of recording of the claim of the Association's lien. Such liens may be foreclosed by an action brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The Association shall have the power to bid in the Lot and improvements thereon at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. An action to recover a money judgment for unpaid assessments may be also maintained without waiving the lien securing the same.

All such assessments, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and continuing lien upon the Lot and the improvements thereon against which each such assessment is made. Each such assessment, together with the interest thereon and costs of collection thereof as herein provided, shall also be the personal obligation of any Person who is an Owner of such Lot at the time the assessment falls due, or, in the event there is more than one Owner of any Lot, each and every such Owner shall be personally liable for the entire assessment due for such Lot, said obligation being joint and several.

6.11 Financial Records. The Association shall keep financial records in sufficient detail to enable it to furnish to each Member a statement setting forth the amount of the annual assessment and any unpaid expense or special assessment currently due and payable from such Member; the most recent regularly prepared balance sheet and cash receipts and disbursements statement, if any, of the Association; the current operating budget of the Association; a statement of any unsatisfied judgments against the Association and any pending suit in which the Association is a party; and such other records and information as shall from time to time be required by the Board of Directors. All financial and other records of the Association shall be made reasonably available for examination by any Member or his authorized agents, and such records shall be made available in Baldwin County, Alabama.

6.12 Dealings with Association. With respect to a third person dealing with the Association, the existence of the Association's powers and the proper exercise thereof by the Association may be assumed without inquiry, unless such person has actual knowledge that the Association is exceeding or improperly exercising its powers. A third person shall not be bound to assure the proper application of any funds paid or assets delivered to the Association.

6.13 Annual Assessments. The annual assessment each year shall be fixed by the Board of Directors and shall be payable in equal monthly or quarterly installments commencing whenever the Board of Directors shall determine it to be necessary or appropriate to provide funds for and/or a reserve for Common Expenses. The Association shall have the authority to make assessments, as shall be fixed and may be changed by the Board of Directors from time to time. If the Board fails to establish a new assessment amount for any year, or to fix the manner in which the same shall be payable, then the Members may establish such.

Within thirty (30) days after making any such assessment, the Board of Directors shall notify all of the Owners of the total amount of such assessment and the amount thereof allocable to each Lot.

6.14 Special Assessments. In addition to the annual assessments, the Association may levy in any year or years, one or more special assessments, applicable to that year only, for the purpose of defraying in whole or in part the cost of any unexpected repair, replacement or improvement of the Common Elements, provided that any such assessment shall have the assent of a majority of all votes cast at a meeting of the Members duly called for such purpose, and at which a quorum of the Members (determined as provided in Section 6.5) is present, in person or by proxy, written notice of which setting forth the purpose of the meeting shall be sent to all Members at least thirty (30) days in advance; provided that if the initial meeting is adjourned the purpose of the meeting need not be set forth in the notice of any subsequent meeting called for the same purpose, and the notice provisions set forth in Section 6.5 shall apply in respect to each such subsequent meeting.

The due date of any special assessment under this Article shall be fixed in the resolution authorizing such assessment.

Notwithstanding the foregoing, if at any time the funds of the Association are insufficient to permit it to adequately provide for the cost of any construction, reconstruction, repair, replacement or improvement of the Common Elements or to enable the Association to perform its obligations hereunder, the Association shall make and collect a special assessment from the Owners in such amount as shall be required to provide sufficient funds for such purpose or purposes and adequate reserves therefor. The Association's obligation to make and collect any such special assessment shall be mandatory and the Developer, or any Owner or Owners, shall each have the right, but not the obligation, to file and prosecute any action or other proceedings against the Association to compel the Association to comply with the requirements of this paragraph and to enjoin it from violating the same.

6.15 Abatement of Violations. The Board of Directors shall, upon written request by any Owner, or upon its own initiative, if it so elects, investigate suspected violations of the provisions of this Declaration, and determine whether a violation exists. If the Board determines that no such violation exists, it shall give written notice of its determination to the complainant Owner, if any, in person or by registered or certified mail, addressed to such Owner at his last known address. Should the Board determine that a violation does exist, it shall give written notice of this determination in person or by registered or certified mail to the complainant Owner, if any, and to the Owner of the Lot on which, or as to which, such violation exists, addressed to each at his last known address. The Owner of the Lot on which, or as to which, such violation exists shall be allowed thirty (30) days [twenty four (24) hours in the case of a violation of Sections 4.11 through 4.18, inclusive] after the giving of such notice, or such longer period as the Board may deem appropriate, in which to correct such violation. Should the violation not be corrected within such period, the Board and/or any Owner or Owners, shall each have the right, but not the obligation, to prosecute any proceedings at law or in equity against the Person or Persons found by the Board to be violating any of these rights, covenants, restrictions, affirmative obligations and conditions and prevent him or them from so doing, recover damages for such violation, and obtain any other legal or equitable relief to which it, he, or they may be entitled under the circumstances.

The remedies provided for above shall not be exclusive. The breach of the provisions of this Declaration shall give the Association, or any Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Owner, including court costs, attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Lot(s) and improvements thereon of such defaulting Owner.

6.16 Failure of the Association to Insist on Strict Performance; No Waiver. Failure of the Association to insist in any one or more instances upon the strict performance of any of the provisions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such provisions, but such provision shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any provision hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by a majority of the directors then in office.

Subject to the provisions of the last paragraph of Section 6.14 and except as provided therein, neither the Association, nor its Members, employees or agents shall be liable to any Person for (a) the manner in which the Association exercises or for the Association's failure or refusal to exercise any right or authority herein granted to the Association, whether discretionary or not; (b) the failure or refusal of any other Person to comply with any of the provisions hereof; or (c) the failure or refusal of any Person to enforce the provisions hereof against any other Person.

6.17 Rules and Regulations of the Association. The Association may, in its discretion, and is hereby authorized to adopt and amend reasonable Rules and Regulations relating to the conduct of the Owners and their invitees and aesthetic considerations pertaining to the Subdivision in accordance with the Bylaws, including, without limitation, appropriate Rules and Regulations pertaining to and regulating the kinds and number of pets that an Owner shall be permitted to have in the Subdivision. The Association is hereby authorized to enforce any and all such Rules and Regulations, if and to the extent so adopted by it. A copy of the Rules and Regulations and all amendments thereto (collectively the "Rules and Regulations") shall be furnished by the Board to each Member prior to the time they become effective. All present and future Owners, tenants, occupants, and any Person who uses any part of the Subdivision in any manner, are subject to, and shall comply with the provisions of this Declaration and the Rules and Regulations. The acquisition, rental or occupancy of a Lot or the use of any part of the property in the Subdivision by any Person shall constitute such Person's agreement to be subject to and bound by the applicable provisions of this Declaration and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the land comprising the Subdivision and shall bind any Person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by an Owner, an Owner's family members, guests, invitees, lessees or renters, including the payment of penalties for such violations.

ARTICLE VII

RESERVATIONS BY DEVELOPER

Until such time as Developer no longer owns any Lot in, or planned for, the Subdivision (including all planned additional phases), Developer reserves unto itself, its successors and assigns,

(a) A right-of-way and easement for ingress and egress and easement for utilities, drainage, maintenance, repairs and other related uses over, along, across and under the easements shown on the Plat for all purposes relating in any manner to the subdividing, developing or aiding in the development of the Subdivision or any parts or parts thereof or additions thereto by the Developer or others.

(b) The right to grant easements and rights-of-way of ingress and egress and for drainage, utilities, maintenance and repairs along, over, across and under the easements shown on the Plat to any person, firm, corporation or entity for use as ingress or egress or for drainage, utilities, maintenance and repairs.

(c) The right to maintain a sales office and/or a management office and/or one or more model homes in the Subdivision and to maintain signs therein advertising the Subdivision and to conduct its business and sales activities pertaining to the Subdivision therein and therefrom.

(d) The right to add one or more additional phases to the Subdivision, and to amend these covenants and restrictions as provided in Article IX.

All of the above rights and interests reserved by the Developer may be exercised by the Developer without the consent or concurrence of the Association or any Member.

ARTICLE VIII

TERM OF RESTRICTIONS

The rights, covenants, restrictions, affirmative obligations and conditions herein contained shall run with the land and be binding upon all Owners and future Owners, and parties claiming under them, and shall inure to the benefit of and shall be binding upon them, and each of their heirs, executors, administrators, successors and assigns, for a period of twenty (20) years

after the date this Declaration is first recorded, after which time the rights, covenants, restrictions, affirmative obligations and conditions herein contained shall automatically be extended for successive periods of five (5) years each, unless at the end of the first twenty-year period or at any time thereafter, by the vote of Owners of two-thirds of the Lots then in the Subdivision it is agreed to terminate or change the provisions of this Declaration, in whole or in part, said termination or change to be signed by the President and attested by the Secretary of the Association, or by a majority of the then Owners, and recorded in the Office of the Judge of Probate of Baldwin County, Alabama. Should any provision, clause, restriction, limitation or condition of this instrument be declared unenforceable, illegal, against public policy, or inconsistent with or contrary to the laws or Constitution of the State of Alabama or the United States of America by any court of competent jurisdiction, or by legislative enactment of the State of Alabama, or the United States of America, every remaining provision, clause, restriction, limitation, or condition contained herein not affected by such judicial or legislative declaration, decision, or act shall be and remain in full force and effect.

The rights, covenants, restrictions, affirmative obligations and conditions set forth in this Declaration shall not operate as a cloud upon the title of any Lot, nor shall the breach thereof forfeit the title to any Lot of the Owner violating the provisions of the Declaration, but any Owner shall have the right to enforce the provisions hereof against any Person violating the same by appropriate proceedings in a court of competent jurisdiction.

ARTICLE IX

ADDITIONS AND AMENDMENTS

Developer reserves the right but shall have no obligation to add additional real estate to the Subdivision, which, if added, shall be subject to the rights, covenants, restrictions, affirmative obligations and conditions set forth in this Declaration, and all amendments thereto, unless different rights, covenants, restrictions, affirmative obligations or conditions applicable to any such additional real estate are adopted by the Developer and recorded in the Office of the Judge of Probate of Baldwin County, Alabama at such time. Until the time when control of the Subdivision is transferred to all Owners as provided above, Developer may, by written instrument duly recorded, at any time amend this Declaration, and any amendments thereto, by filing the same of record in the Office of the Judge of Probate of Baldwin County, Alabama, provided, however, that no such amendment shall permit the improvement, use or occupancy of any Lot for other than single-family residential purposes, except as expressly provided in Section 3.1, and no Owner of any Lot previously sold by Developer (whether or not then owned by the original purchaser) shall be bound by any such amendment to Sections 4.11 through 4.18, inclusive, or to Sections 6.2, 6.9 or 6.17, if it adversely and materially affects his use and enjoyment of his Lot. After control of the Subdivision is transferred to all Owners as provided in Section 6.7, the Owners (including Developer if it is still an Owner) of a majority of the total Lots in, or planned for, the Subdivision (including all planned additional phases) may, by written instrument duly recorded, as aforesaid, exercise the foregoing right of amendment subject to the foregoing restrictions; provided, however, that if Developer voluntarily relinquishes control of the Association in writing, no such amendment shall restrict any of the rights of Developer reserved in this Declaration, other than the right of control of the Association, as long as Developer owns any Lot in, or planned for, the Subdivision (including all planned additional phases).

The provisions of this Declaration shall not be altered, changed, amended, repealed or circumvented by any provisions of any of the other Governing Documents. In the event of any conflict between the provisions of this Declaration and any of the other Governing Documents, the provisions of this Declaration shall govern.

ARTICLE X

SEVERABILITY

All provisions of this Declaration shall be severable.

IN WITNESS WHEREOF, Elite Development, LLC, a limited liability company, has cause these presents to be executed by Summit Construction Company, Inc., its Manager, it being thereunto duly authorized, and it has caused these presents to be executed by Clarence E. Burke, Jr., its President, he being thereunto duly authorized, on this the 3 day of SEP, 2003.

Elite Development, LLC, a
Limited Liability Company
By: _____
Manager

STATE OF ALABAMA)

COUNTY OF BALDWIN)

I, the undersigned Notary Public in and for said State and County, do hereby certify that CLARENCE E. BURKE, JR. whose name as PRESIDENT of SUMMIT CONSTRUCTION corporation, Manager of Elite Development, LLC, a limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation and limited liability company, on the day the same bears date.

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

Notary Public
My Commission Expires: _____

This Instrument Was Prepared By:

Jasper Dorsey,
Elite Development, LLC
P. O. Box 1629
Foley, Alabama 36536

EXHIBIT "A"

(Here Insert Legal Description of Property)

EXCEPTING THEREFROM, all oil, gas and other minerals lying in or under said property, and subject to all rights and privileges in connection therewith; and

SUBJECT ALSO to any and all rights-of-way, easements, building setback lines, and other conditions, matters and things shown on the Plat or contained in the subdivision regulations or zoning ordinances applicable to the Subdivision.

COMMENCE AT A CAPPED IRON PIN MARKER AT THE RECORD LOCATION OF THE SOUTHEAST CORNER OF GRANT SECTION 39, TOWNSHIP 5 SOUTH, RANGE 2 EAST, SAINT STEPHENS MERIDIAN AND RUN THENCE SOUTH 89 DEGREES 40 MINUTES 29 SECONDS WEST, 781.61 FEET TO AN IRON PIN MARKER FOR A POINT OF BEGINNING; THENCE CONTINUE SOUTH 89 DEGREES 40 MINUTES 29 SECONDS WEST, 485.74 FEET TO A CRIMP TOP IRON PIPE MARKER; THENCE RUN NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST, 806.97 FEET TO A CAPPED IRON PIN MARKER; THENCE RUN NORTH 00 DEGREES 52 MINUTES 18 SECONDS EAST, 49.91 FEET TO A CAPPED IRON PIN MARKER IN CONCRETE; THENCE RUN NORTH 89 DEGREES 48 MINUTES 28 SECONDS WEST, 49.97 FEET TO A CAPPED IRON PIN MARKER; THENCE RUN NORTH 05 DEGREES 52 MINUTES 48 SECONDS EAST, 223.19 FEET TO A CAPPED IRON PIN MARKER; THENCE RUN NORTH 08 DEGREES 19 MINUTES 53 SECONDS EAST, 136.85 FEET TO A CAPPED IRON PIN MARKER; THENCE RUN SOUTH 89 DEGREES 59 MINUTES 06 SECONDS EAST, 50.52 FEET TO AN OPEN END IRON PIPE MARKER; THENCE RUN NORTH 00 DEGREES 48 MINUTES 43 SECONDS WEST, 207.88 FEET TO AN OPEN END IRON PIPE MARKER; THENCE RUN NORTH 89 DEGREES 54 MINUTES 03 SECONDS EAST, 1229.45 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 00 DEGREES 05 MINUTES 57 SECONDS EAST, 168.00 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 89 DEGREES 54 MINUTES 03 SECONDS WEST, 7.06 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 00 DEGREES 05 MINUTES 57 SECONDS EAST, 118.00 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 89 DEGREES 54 MINUTES 03 SECONDS WEST, 8.00 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 00 DEGREES 05 MINUTES 57 SECONDS EAST, 140.00 FEET TO AN IRON PIN MARKER; THENCE RUN NORTH 89 DEGREES 54 MINUTES 03 SECONDS EAST, 36.21 FEET TO AN IRON PIN MARKER; THENCE RUN SOUTH 00 DEGREES 05 MINUTES 57 SECONDS EAST, 191.04 FEET TO THE POINT OF BEGINNING. TRACT CONTAINS 18.08 ACRES, MORE OR LESS, AND LIES IN GRANT SECTION 39, AND FRACTIONAL SECTION 7, TOWNSHIP 5 SOUTH, RANGE 2 EAST, BALDWIN COUNTY, ALABAMA.
(DESCRIPTION COMPOSED FROM PROBATE RECORDS AND AN ACTUAL FIELD SURVEY).