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**DECLARATION OF CONDOMINIUM
OF
STONEVIEW SUMMIT AT
STILLWATERS CONDOMINIUM**

Date: Aug. 22, 2007

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Exhibit "C"	Bylaws of the Association
Exhibit "D"	Plan and Plats of the Condominium
Exhibit "E"	Allocated Interest of Common Elements and Votes
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Exhibit "G"	Articles of Incorporation
Exhibit "H"	Easements and Restrictions of Record

DECLARATION OF CONDOMINIUM
OF
STONEVIEW SUMMIT AT STILLWATERS CONDOMINIUM

ARTICLE I

PREAMBLE, NAME AND LEGAL DESCRIPTION

The undersigned, Lake Martin Partners, LLC, an Alabama limited liability company, whose address is 355 North Oates Street, Suite 1, Dothan, Alabama, 36303, ("Developer"), being the holder of fee simple title to that certain real property located in Tallapoosa County, Alabama, and more particularly described hereinafter, does hereby submit such lands as described in Paragraph 1.2 below, together with the improvements thereon to the condominium form of ownership in accordance with the provisions of Title 35, Chapter 8A, Code of Alabama (1975), and the following provisions:

Section 1.1 Name. The name by which this condominium is to be identified is STONEVIEW SUMMIT AT STILLWATERS CONDOMINIUM (the "Condominium").

Section 1.2 Legal Description. Developer is the owner of that certain real property located in Tallapoosa County, Alabama, more particularly graphically described in the attached Exhibit "A", which is incorporated herein by this reference. The property that is hereby submitted to the condominium form of ownership under this Declaration of Condominium consists of that certain real property shown and set forth in the attached Exhibit "A" together with those easements more specifically and particularly described in Article IV herein.

Section 1.3 Additional Property. Developer shall have the right but not the obligation to bring into the Condominium and within the coverage of this Declaration, additional properties within the condominium plan identified on Exhibit "B" attached hereto ("Additional Property") in whole or in part in one or more phases, at any time within seven (7) years from the date this Declaration has been recorded, which annexation may be accomplished without the consent of the Association, its members, the Owners or Occupants of the Condominium Units, any Mortgage, lienholder or anyone else. All improvements on the portion of the Additional Property to be added must be substantially completed before such property is added to the Condominium. Any liens arising in connection with Developer's ownership of and construction of improvements upon the portion of the Additional Property to be added must not adversely affect the rights of the existing Unit Owners or the priority of first Mortgages on Units in the Condominium. Prior to the addition of any portion of the Additional Property to the Condominium, all taxes and assessments for the property to be added must be paid or otherwise provided for by the Developer.

Section 1.4 Method of Annexation. The portion of the Additional Property to be annexed or added under this Article shall be added to the Condominium by filing of record an amendment to the Declaration of Condominium, which shall extend the condominium form of

ownership and the coverage of the Declaration of Condominium to such portion of the Additional Property. The amendment to the Declaration shall describe the real property to be added and shall state that it is being made subject to the terms of this Declaration of Condominium for the purpose of annexing the identified property to the provisions of this Declaration and extending the jurisdiction of the Association to the indicated portion of the Additional Property. To bring any portion of the Additional Property into the Condominium, there shall also be an amendment made to the Plat, showing such portion of the Additional Property that is being added to the Condominium.

Upon recordation of the amendment to the Declaration of Condominium, the Unit Owners shall also have a right and non-exclusive easement of use and enjoyment in and to the Condominium Property within the portion of the Additional Property so annexed and an obligation to contribute to the operation and maintenance of such Condominium Property within the annexed lands.

Any amendment to the Declaration of Condominium recorded in accordance with the terms herein shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any amendment to the Declaration of Condominium, the portion of the Additional Property described in said amendment to the Declaration of Condominium shall be subject to the provisions of this Declaration and to the jurisdiction of the Association.

Section 1.5 Adjustment for Additional Property. If any portion of the Additional Property is added to the Condominium and there are Units in such portion of the Additional Property, the voting rights, Common Expense liability and Common Elements ownership and the like shall be adjusted in accordance with Exhibit "F" attached hereto.

ARTICLE II

DEFINITIONS

The terms used in this Declaration and in its Exhibits, including the Articles of Incorporation and Bylaws of the Association, shall be defined in accordance with the provisions of Title 35, Chapter 8A, Sections 101 *et seq.*, Code of Alabama (1975) and as follows unless the context otherwise requires:

Section 2.1 Act shall mean the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA §§ 35-8A-101 *et seq.*, as the same may be amended from time to time.

Section 2.2 Ad Valorem Real Estate Taxes shall mean those real property taxes assessed against the Units and their respective undivided interests in the Common Elements by the Tax Assessor for Tallapoosa County, Alabama.

Section 2.3 Articles of Incorporation shall mean the Articles of Incorporation of the Association, as they may be amended from time to time. A copy of the Articles of Incorporation is attached hereto as Exhibit "G" and incorporated herein by reference.

Section 2.4 Association shall mean STONEVIEW SUMMIT ASSOCIATION, INC., an Alabama nonprofit corporation, and its successors, which is the entity responsible for the administration, operation and management of the Condominium.

Section 2.5 Bylaws shall mean the duly adopted Bylaws of the Association, as they may be amended from time to time. A copy of the Bylaws is attached hereto as Exhibit "C" and incorporated herein by reference.

Section 2.6 Common Elements shall mean all of those items defined in the Act as Common Elements and those items hereinafter declared to be included within the Common Elements. All portions of the Condominium Property not included within the Units shall be part of the Common Elements.

Section 2.7 Common Expenses shall include:

(a) Expenses of administration, operation and management of the Condominium Property and of the Association including, without limitation, compensation paid by the Association to a Management Company, accountant, attorney or other employee or independent contractor.

(b) Expenses of maintenance, operation, repair and replacement of the Common Elements, as well as all other costs and expenses properly incurred by the Association.

(c) Expenses declared Common Expenses by the provisions of this Declaration, the Condominium Documents or the Act.

(d) Any valid charge against the Condominium Property as a whole.

(e) All costs and expenses incurred by the Association in connection with regulatory compliance.

(f) All reserves for replacement and maintenance of the Condominium Property as required by the terms hereof.

Section 2.8 Common Surplus shall mean any excess of all receipts of the Association over the amount of the Common Expenses.

Section 2.9 Condominium shall mean and refer to STONEVIEW SUMMIT AT STILLWATERS CONDOMINIUM, and consists of the Condominium Property submitted to the condominium form of ownership by this Declaration and any amendments which may be filed from time to time.

Section 2.10 Condominium Documents shall include this Declaration, together with exhibits attached hereto, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Association and all other documents expressly incorporated herein by reference, as the same may be amended from time to time.

Section 2.11 Condominium Property shall mean and include the lands, leaseholds, easements and personal property including, without limitation, the Common Elements that are subjected to the condominium form of ownership from time to time as part of this Condominium, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with this Condominium.

Section 2.12 Condominium Rules and Regulations shall mean and refer to the rules and regulations concerning the use of Condominium Property as may be promulgated and amended from time to time by the Association in the manner provided by the Declaration and Bylaws.

Section 2.13 Declaration shall mean this Declaration of Condominium of Stoneview Summit At Stillwaters Condominium and all exhibits attached hereto, as it may be amended from time to time, pursuant to the provisions hereof.

Section 2.14 Developer shall mean Lake Martin Partners, LLC, an Alabama limited liability company, its successors and assigns. No party other than Developer shall exercise the rights and privileges reserved herein to Developer unless such party shall receive and record in the Office of the Judge of Probate of Tallapoosa County, Alabama, a written assignment from Developer of all or a portion of such rights and privileges.

Section 2.15 Limited Common Elements shall mean and include those Common Elements which are reserved for the use of fewer than all of the Units in the Condominium to the exclusion of other Units, which are identified herein or identified in the Plans attached hereto as Exhibit "D." Boat slips may be assigned as Limited Common Elements to certain Units for which the Owners have paid to the Developer additional consideration therefor.

Section 2.16 Management Company shall mean any entity, and its successor and assigns, engaged to manage the Condominium Property and Association pursuant to a Management Contract, which may be entered into by the Board of Directors from time to time.

Section 2.17 Management Contract shall mean the agreement between the Association and any Management Company which provides for the management of the Condominium.

Section 2.18 Mortgage shall mean a first lien Mortgage on one or more Units.

Section 2.19 Mortgagee shall mean any trust, savings and loan association, credit union, mortgage company, bank, insurance company, or commercial loan company licensed to do business in the State of Alabama, to the extent that any of the same hold a first Mortgage encumbering any Unit.

Section 2.20 Occupant shall mean a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

Section 2.21 Unit or Condominium Unit shall mean a condominium unit as that term is defined in the Act and in Article V of this Declaration and refers to that part of the Condominium Property which is subject to exclusive ownership by one or more persons.

Section 2.22 Unit Owner or Owner shall mean and refer to every person or entity who is a record owner of a Unit.

Section 2.23 Utility Services shall include, without limitation, electric power, cable television, water, garbage and sewer disposal and telephone service, and all other public service and convenience facilities that may be provided in the Condominium.

ARTICLE III

EXHIBITS

The Exhibits referred to in this Declaration shall include the following:

Section 3.1 Exhibit "A". A copy of a plat containing the legal description of the land submitted to the condominium form of ownership pursuant to this Declaration.

Section 3.2 Exhibit "B". A copy of a plat containing the legal description of the Additional Property that may be submitted in whole or in part in one or more future phases to the Condominium and to the provisions of this Declaration, pursuant to the terms of Section 1.3 of Article I of this Declaration.

Section 3.3 Exhibit "C". The Bylaws of the Association.

Section 3.4 Exhibit "D". A copy of the Plat of the Condominium which show a graphic description of the Units located therein, which together with this Declaration, are in sufficient detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions. Each Unit is identified by a number so that no Unit bears the same designation as any other Unit. The original copy of the Plat is recorded in Map Book 11, at Page 73, in the Office of the Judge of Probate for Tallapoosa County, Alabama.

Section 3.5 Exhibit "E". The Allocated Interests assigned to Units in the Condominium, including the percentage ownership interest of the Common Elements, the Common Expense liability, the number of votes assigned to each Unit, and the assignment of Limited Common Elements to the Units, if any.

Section 3.6 Exhibit "F". The Allocated Interests assigned to Units in the Condominium upon the addition of any portion of the Additional Property to the Condominium should it contain additional units, including the percentage Common Elements ownership interest and Common Expense liability, and the number of votes assigned to each Unit.

Section 3.7 Exhibit "G". A copy of the Articles of Incorporation of the Association.

Section 3.8 Exhibit "H". A list of the Easements and Restrictions of Record affecting the Condominium Property.

ARTICLE IV

EASEMENTS, LIENS AND ENCUMBRANCES

The following easements are hereby expressly reserved or have been granted:

Section 4.1 General Easements. Non-exclusive easements over, across and under the Condominium Property are expressly provided for and reserved in favor of the Developer, the Association, the Unit Owners, the Occupants, and their respective lessees, guests and invitees, as follows:

(a) Utilities. Easements are reserved over, across and under the Condominium Property as may be required for Utility Services in order to serve the Condominium adequately, including, without limitation, easements for the purpose of allowing such access rights as are necessary to install, utilize and service a lift station, terminal, junction box, utility transformer boxes or any other piece of utility equipment located or to be located within the Condominium Property. Specific utility easements that exist on Condominium Property, may be graphically shown on Exhibit "D" attached hereto. Additionally, there may be utility equipment which is appurtenant to the Units, but which is located on the Common Elements. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the Unit; provided that no utility equipment shall be placed on any part of the Common Elements other than the present location unless the written approval of the Association shall have been first obtained.

(b) Encroachments. In the event that any Unit shall encroach upon any of the Common Elements or upon any other Unit, or in the event any Common Element shall encroach upon any Unit, then an easement shall exist to permit such encroachment so long as the same shall exist.

(c) Easement of Support. Each Unit and the Common Elements shall have an easement of support from every other Unit or Common Elements which provide such support.

(d) Traffic.

(i) Common Elements. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies and other portions of the Common Elements as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, and such easements shall be for the use and benefit of the Developer, the Association and Unit Owners and Occupants, their family members, guests, and invitees within this Condominium and those claiming by, through or under the aforesaid; provided, however, nothing herein shall be construed to give or create in any person the right to park any vehicle upon any portion of the Condominium Property except in areas specifically designated and assigned for parking purposes. Further, easements shall exist for ingress and egress over such streets, walks, and

other rights-of-way serving the Units as shall be necessary to provide for reasonable access to the public rights-of-way.

(ii) Other. A limited number of watercraft docks and boat slips have been made available to serve the Condominium Property. Such docks and boat slips shall be assigned to specific Units as Limited Common Elements based on the original Owners of the Units paying Developer additional consideration for the assignment and the exclusive right to use such docks and boat slips. The docks and boat slips are expressly not part of the general Common Elements of this Condominium but rather the right to use such Limited Common Elements is specifically limited to the Units shown in Exhibit "E" attached hereto.

(e) Easements Appurtenant to Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

Section 4.2 Association Easements. Except as may be limited by the Act, the Association may grant easements from time to time over the Common Elements.

Section 4.3 Developer Easements. The Developer hereby reserves the following exclusive easements and rights to grant easements.

(a) Marketing, Sales and Rental. The Developer reserves exclusive easement rights over and across the Condominium Property for the purpose of the marketing, sales and rental of Units and other accommodations owned or operated by the Developer or one of its affiliates on adjoining properties which are not part of the Condominium. In particular, the Developer reserves the right to operate and maintain a sales office, hold promotional events, use signs and promotional materials throughout the Property to the fullest extent.

(b) Governmental Requirements. The Developer reserves the right to grant such easements from time to time as may be required by any governmental agency or utility service. Such easements shall specifically include, without limitation, any environmental easements required by state or federal environmental agencies for so long as Developer holds any interest in any Unit subject to this Declaration and so long as the Developer owns any portion of the Additional Property.

(c) Developer Easements. The Developer reserves unto itself, for so long as it holds any interest in any Unit and so long as the Developer owns any portion of the Additional Property, specific easement rights over and across the Condominium Property as it may deem necessary for its use from time to time.

(d) Construction Easements. The Developer, on behalf of itself and its affiliates, hereby reserves perpetual non-exclusive easement rights for pedestrian and vehicular traffic over, under and across the Condominium Property as is necessary from time to time for the purpose of constructing improvements on the Additional Property and on property adjacent

to and in the vicinity of the Condominium Property. Further, there shall be a perpetual, non-exclusive easement for the benefit of the Additional Property for the maintenance and use of all sewage disposal, storm drainage and utility distribution systems and facilities as are presently located on the Property, and for the maintenance and use of such sewage disposal, storm drainage and utility distribution systems and facilities as may be constructed or installed on the Property or on the Additional Property in the future.

Section 4.4 Other Easements, Liens and Encumbrances. Other easements, if any, may have been granted over the Condominium Property as set forth in the Plans and Plats contained in Exhibit "D" attached hereto and as shown in Exhibit "H" attached hereto.

ARTICLE V

UNITS

Section 5.1 Description of Units. The Units shall include the parts of the Condominium Property as set forth in the Plat intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Elements and the Limited Common Elements, if any, assigned to each Unit as herein provided. Each Unit is identified in a diagrammatic floor plan of the floor on which the Unit is situated as shown on the Plan and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(a) *Upper and Lower Boundaries:* The upper and lower boundaries extended to their planer intersections with the perimetrical boundaries as follows:

(i) The upper horizontal boundary shall be the plane of the lower unfinished surface of the material which constitutes the ceiling;

(ii) The lower horizontal boundary shall be the plane of the upper surface of the subflooring material which serves as the Unit's floor. Any floor covering such as carpeting, vinyl, hardwood or ceramic tile is part of the Unit.

(b) *Perimetrical Boundaries:* The perimetrical boundaries of the Units shall be the vertical planes of the interior surfaces of the windows and exterior doors, and the interior unfinished surfaces of the material constituting the perimeter walls of the Unit, except that the Units shall extend to the plane the interior surface of the outermost perimeter walls of the balcony or terrace directly accessible from that Unit, all extended to their planer intersections with each other and with the upper and lower boundaries.

Each Unit shall include all non-structural interior partition walls located within the boundaries of the Unit except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all

immediately visible fixtures, appliances, cabinets, and water and sewer pipes located within the boundaries of the Unit and serving only the Unit; and the mechanical systems and installations providing electrical power, water, sewer, heating and air conditioning service to the Unit, including the individual compressor even though such equipment may be located outside the boundaries of the Unit, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of such Unit; and provided further that no bearing wall or column providing structural support and located within the boundaries of the Unit shall be deemed part of the Unit.

Section 5.2 Limited Common Elements. The Limited Common Elements shall include the Limited Common Elements as defined in the Act and any boat slip or dock assigned to a Unit for additional consideration paid to the Developer.

ARTICLE VI

COMMON ELEMENTS

Section 6.1 Appurtenant Interests. Each Unit shall have as an appurtenance thereto an undivided share of or ownership interest in the Common Elements and Common Surplus as more specifically described on Exhibit "E" attached hereto and by this reference incorporated herein. The Owner of each Unit shall be liable for that share of the Common Expenses which equals the percentage ownership interest in the Common Elements and Common Surplus appurtenant to its Unit. The percentage ownership interests set forth in Exhibit "E" is based upon thirty-five (35) Units in the Condominium. In the event additional Units are added to the Condominium or any portion of the Additional Property is added, the percentage interest of each Unit in the Condominium will be adjusted in accordance with Exhibit "F" attached hereto.

Section 6.2 Partition of Common Elements. The share of the undivided interest in the Common Elements appurtenant to each Unit shall remain undivided, and no Owner shall bring, or have any right to bring, any action for partition or division of same.

ARTICLE VII

MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

Section 7.1 Units/Common Elements.

(a) By the Association. Unless caused by the specific abuse by an Owner, Occupant or any licensee, guest or tenant of an Owner or Occupant, the Association shall maintain, repair and replace as a Common Expense:

(i) All Common Elements, except as otherwise provided in the Condominium Documents.

(ii) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services unless located within a Unit and serving only that Unit, except that the cost of replacing or repairing such items that serve only one Unit, shall be assessed against the Unit Owner of the Unit such facilities serve, as a special assessment.

(b) By the Owner. The responsibility of the Unit Owner for maintenance, repair and replacement shall be as follows:

(i) Not to make, or cause to be made, repairs to any plumbing, heating, ventilation or air conditioning systems located outside his Unit but required to be maintained by him, except by licensed plumbers, electricians or heating and air conditioning professionals authorized to do such work by the Association or its delegate;

(ii) Not to make any addition or alteration to the Unit or to the Common Elements or to do any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner without the prior written consent of the Association and all Unit Owners affected thereby;

(iii) Not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, or to any outside or exterior portion of the Unit, and including, but not limited to, altering in any way exterior doors, affixing outshutters to windows or painting any part of the exterior part of the Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association, and the Unit Owner shall be liable for all damages to another Unit or to the Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor.

(iv) To not paint or otherwise decorate or change the appearance of any portion of the Common Elements.

(v) To promptly report to the Association upon discovery any defect or need for repairs for which the Association is responsible.

(vi) To bear in their entirety any expenses of repairs or replacements to the Condominium Property occasioned by the specific use or abuse or by the failure to maintain by any Unit Owner, Occupant or any family member, licensee, guest or tenant of said Owner.

(vii) To clean, maintain, repair and replace all components, furnishings, carpeting, appliances and other property, real, personal or mixed, located inside or comprising a Unit unless provided otherwise in the Condominium Documents.

Section 7.2 Management Contract. The Association may enter into such Management Contracts from time to time as it deems necessary to engage the services of a Management Company to carry out all or part of the maintenance and operational duties and obligations of the Association in accordance with this Declaration. Any Management Contract must provide that at any time after turnover of control of the Association to Owners other than the Developer, that the Association shall have the right, without penalty, to terminate the Management Contract upon not less than ninety (90) days advance written notice to the Management Company and shall have the right to terminate, without penalty, for cause upon thirty (30) days notice. Any Management Contract, employment contract or lease of recreational or parking facilities or any other contract or lease between the Developer or an affiliate of the Developer or any contract that is not a bona fide or was unconscionable to the Unit Owners at the time entered into may be terminated without penalty by the Association at any time after the Board elected by the Unit Owners takes office upon not less than ninety (90) days notice to the other party.

Section 7.3 Association's Access to Units. The Association has the irrevocable right of reasonable access to each Unit whenever necessary for maintaining the Common Elements, for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit and for servicing and reading utility lines, valves, conduits and meters.

ARTICLE VIII

ASSESSMENTS AND COMMON EXPENSES

Section 8.1 Common Expenses. In addition to those items defined as Common Expenses in Section 2.7 above, Common Expenses shall include the following:

(a) Repair, replacement and upkeep of the Common Elements including, without limitation, all storm water drainage and retention areas, recreational facilities, driveways and sidewalks;

(b) Casualty and/or liability insurance on the Condominium Property, fidelity bonds for Association employees and any other insurance purchased by the Board of Directors of the Association;

(c) Utility Services for the Common Elements; and

(d) Any other expenses incurred in the normal operation and maintenance of the Condominium which cannot be attributed to a particular Unit or Unit Owner.

Section 8.2 Assessments, Liability, Lien and Enforcement. The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owner, his family members, guests, invitees or Occupants for damages of any nature and for penalties for rules violations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

Section 8.3 Assessments. All assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.

(a) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.

Section 8.4 Annual Budget. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt a proposed annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act and this Declaration. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be made available to each Unit Owner and the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery of the budget to the Unit Owners. Unless at the meeting a majority of the Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected the budget for the last year shall continue in

effect until such time as a new budget is ratified. If the budget is ratified the assessment for said year shall be established based upon such budget. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient for any reason, including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act.

Section 8.5 Omission of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 8.6 Detailed Record. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner or his representative at convenient hours of weekdays in the county where the Condominium is located.

Section 8.7 Payment of Common Expenses and Limited Common Expenses by Unit Owners. All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article VIII. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. Whenever any Unit may be sold or mortgaged by the Owner thereof, the Association, upon written request of the Owner of such Unit, shall furnish to the Owner (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be paid by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before the payment of the proceeds to or on behalf of the selling Unit Owner.

Section 8.8 Default in Payment of Assessments. The payment of any assessment or installment thereof due the Association shall be in default if such assessment or

any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the maximum legal rate on judgments or 18%, whichever is greater, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama, but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lienholders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate on judgments or 18%, whichever is greater, on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

The lien herein granted to the Association shall be effective from and after the time of recording in the Probate Office of Tallapoosa County, Alabama, the Declaration of Condominium of Stoneview Summit at Stillwaters Condominium, and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

Section 8.9 Required Reserve Funds and Working Capital Fund. Assessments levied by the Board of Directors of the Association shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced or repaired on a periodic basis, and shall be payable in regular installments rather than by special assessments. Special assessments may be levied by the Board in the event that there is insufficient money in the reserve fund for the maintenance, repair or replacement of any portion of the Common Elements. A working capital fund shall be established, and each Unit Owner purchasing a Unit from the Developer shall pay a one-time assessment equal to two (2) months' assessment at the time of closing of the purchase of the Unit to be used by the Association as working capital to pay for such start-up costs of the Association as the Board of Directors sees fit.

Section 8.10 Election of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any

sums remaining owing to it. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

Section 8.11 Notice of Delinquent Assessments. Any Mortgagee, upon written request to the Association (such request to state the name and address of such Mortgagee and the Unit number at issue), will be entitled to timely written notice of any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of Mortgagee where such delinquency has continued for a period of sixty (60) days.

Section 8.12 Common Surplus. Each Owner shall own a share of the Common Surplus attributable to each Unit owned in accordance with Section 6.1.

Section 8.13 Refunds of Common Surplus. If the Association shall refund all or a portion of any Common Surplus to the Owners for any fiscal year in which the Developer paid any assessment, such refund shall be prorated as of the date of closing of any sale of a Unit upon which the sale was closed by Developer during such year, and the prorated amount allocable to the period of time of the Developer's ownership shall be refunded directly to the Developer by the Association.

ARTICLE IX

THE ASSOCIATION

The operation of the Condominium shall be by the Association, which shall fulfill its functions pursuant to the following provisions:

Section 9.1 Membership in Association. Membership of each Unit Owner in the Association shall be acquired pursuant to the provisions of the Articles of Incorporation and Bylaws of the Association. Each Unit shall have one (1) vote in the Association. Where a Unit is owned by more than one owner, the co-owners of the Unit shall file a voting certificate with the Association, in accordance with the Articles and Bylaws of the Association, setting forth which co-owner is designated to cast the vote for that Unit at a meeting. If only one owner is present at the meeting, it is presumed that the present Unit Owner has the authority to vote the vote for the Unit.

Section 9.2 Articles of Incorporation. A copy of the Articles of Incorporation of the Association, which set forth its powers and duties, are attached hereto as Exhibit "G".

Section 9.3 Bylaws. A copy of the Bylaws of the Association are attached hereto as Exhibit "C" and are incorporated herein by reference.

Section 9.4 Limitation Upon Liability of Association. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds, for

problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, or from any wire, pipe, drain, conduit, appliance or equipment, however, this provision does not relieve the Association from maintenance responsibility or for damage to the Units arising from or related to water intrusion from the Common Elements on account of maintenance or lack thereof. The Association shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or to any Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental or judicial authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

Section 9.5 Restraint Upon Assignment of Shares and Assets. Each Owner's share in the funds and assets of the Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's Unit.

Section 9.6 Transfer of Control of Association.

(a) Owners of Units other than the Developer will be entitled to elect members of the Board of Directors of the Association as follows:

(i) The Owners of Units other than the Developer shall be entitled to elect a majority of the members of the Board of Directors not later than the earliest of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created in the Condominium to Unit Owners other than the Developer; (ii) two years after Developer has ceased to offer Units for sale in the ordinary course of business; or (iii) two years after any Developer right to add new Units or Additional Property to the Condominium was last exercised. Developer may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period, but in the event Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective.

(ii) Not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created in the Condominium to Unit Owners other than the Developer, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Unit Owners other than the Developer. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created in the Condominium to Unit Owners other than Developer, not less than one-third (1/3) of the members of the Board of Directors must be elected by Unit Owners other than the Developer.

5 members

25 - 50%

(iii) Nothing in this subparagraph shall be construed so as to preclude the Developer from relinquishing control of the Board of Directors at any time the Developer may elect.

(b) The Developer is entitled to elect at least one member of the Board of Directors of the Association for so long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium.

(c) Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Owner.

Section 9.7 Management Contract. As set forth in Article 7.2, the Association is authorized to contract for management of the Condominium and to delegate to such Management Company all powers and duties of the Association except such as are specifically required by the Condominium Documents to have approval of the Board of Directors or members of the Association. Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the ability of the Board of Directors of the Association to independently terminate the Management Contract without a vote of the Owners as provided in the Act shall be governed solely by the terms and conditions of the Management Contract.

Section 9.8 Availability of Documentation. The Association shall be required to make available to Owners, any Mortgagee and the holders and insurers of any Mortgage on any Unit, current copies of this Declaration, the Articles of Incorporation, Bylaws and Rules and Regulations of the Association and other rules and resolutions governing this Condominium and other books, records and financial statements of the Association, including the most recent annual audited, review or compilation financial statement, if such is prepared. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

ARTICLE X

INSURANCE

The insurance that shall be carried upon the Condominium Property shall be governed by the following provisions:

Section 10.1 Authority to Purchase; Named Insured. All insurance policies upon the Condominium Property shall be purchased by the Association from a fiscally responsible company authorized to do business in the State of Alabama and shall have a minimum term of one year. In selecting an insurance carrier, to the extent available and economically feasible, the Association shall refer to and comply with the criteria set forth in the FNMA Conventional Home Mortgage Selling Contract Supplement and FHLMC Sellers Guide for specific requirements regarding the qualifications of insurance carriers. The named insured

shall be the Association on behalf of and as agent for the Owners, without naming them, and as agent for their Mortgagees. Such policies shall provide that payments by the insurer for losses shall be made to the Association or the Insurance Trustee designated below, and all policies and their endorsements shall be deposited with the Association or the Insurance Trustee. Such policies shall also include a "condominium endorsement" which shall provide for recognition on any insurance trust agreement, waiver of the right of subrogation against Owners individually, that the insurance is not prejudiced by the act or neglect of individual Owners which is not in the control of such Owners collectively and that the policy is primary in the event the Owners have other insurance covering the same loss. Such policies shall also include, to the extent available and commonly required by prudent institutional mortgage investors in the area, an "Agreed Amount Endorsement," "Inflation Guard Endorsement" and/or "Demolition or Building Code Endorsement."

Section 10.2 Personal Property of Owners. If desired, each Owner shall obtain insurance coverage upon his personal property at his own expense, and such insurance shall not be the responsibility of the Association.

Section 10.3 Coverage.

(a) Casualty. All buildings and improvements upon the Condominium Property, including Common Elements and Units, shall be insured in an amount equal to 100% of the current replacement cost, exclusive of land, foundation and excavation costs, and all other items normally excluded from coverage, and all personal property owned by the Association shall be insured for its current replacement cost, all as shall be determined from time to time by the Board of Directors of the Association. Coverage shall afford protection against:

(i) Loss or damage by fire and other hazards normally covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Condominium Property, including water intrusion, floods and other perils normally covered by the standard "all risk" endorsement where such is available, including, without limitation, vandalism and malicious mischief.

(b) Public Liability. Public liability insurance shall be carried in such amounts and with such coverage as shall be required by the Board of Directors of the Association from time to time; provided, however, that such coverage shall in no event be in an amount less than One Million Dollars (\$1,000,000.00) per occurrence. Wherever and whenever it is possible and economically feasible to do so, the Board of Directors shall attempt to obtain adequate insurance protection in reasonably prudent coverages.

(c) Worker's Compensation. Worker's compensation insurance shall be carried to the extent necessary to meet the requirements of law.

(d) Fidelity Bond. Fidelity insurance coverage shall be carried in the name of the Association for all officers, directors and employees of the Association and all other persons handling or responsible for funds of the Association. Where the Management Company has the

responsibility for handling or administering funds of the Association, the Management Company shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee. The total amount of fidelity bond coverage required shall be in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or Management Company, as the case may be, at any given time during the term of each bond, whichever is greater, but in no event may the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments on all Units plus reserve funds. The fidelity bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The fidelity bonds shall not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten days' prior written notice to the Association. Such bonds must also provide that any FNMA servicer, on behalf of FNMA, must also receive such notice of cancellation or modification.

(e) Other Insurance. Such other insurance may be carried as the Board of Directors shall determine from time to time to be desirable, including directors and officers insurance.

Section 10.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

Section 10.5 Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and any Mortgagees as their interests may appear and shall provide that all proceeds covering property losses shall be paid to the Association or to a named Insurance Trustee (the "Insurance Trustee") if the Board of Directors shall so elect. All references to an Insurance Trustee herein shall apply to the Association if the Board of Directors elects not to appoint an Insurance Trustee. Any Insurance Trustee appointed by the Board of Directors shall be a commercial bank with trust power authorized to do business in the State of Alabama or another entity acceptable to the Board of Directors of the Association. The Insurance Trustee (other than the Association) shall not be liable for payment of premiums nor for failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated herein for the benefit of the Owners and any Mortgagees in the following shares; provided, however, that such shares need not be set forth on the records of the Insurance Trustee:

(a) Proceeds on Account of Damage to Common Elements. Proceeds on account of damage to Common Elements shall be held in undivided shares for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to each Unit.

(b) Units. Proceeds on account of damage to Units when the building or Unit is not to be restored shall be held in undivided shares for each Owner of those Units or Unit, such share being the same as the undivided share in the Common Elements appurtenant to each Owner's interest.

(c) Mortgagees. Such insurance policies shall contain the standard mortgage clause or equivalent endorsement (without contribution) which is commonly accepted by private institutional mortgage investors in the area in which the condominium is located and which appropriately names FNMA and FHLMC, if such corporations are Mortgagees. In the event a Mortgagee endorsement has been issued, any share for the Owner shall be held in trust for the Mortgagee and the Owner as their interests may appear; and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to an Owner and Mortgagee pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the Mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any or all sums of insurance proceeds applicable to its mortgaged interest in any of the following events:

- (i) When its mortgage is not in good standing and is in default; or
- (ii) When insurance proceeds are insufficient to restore or repair the Unit to the condition existing prior to the loss and additional monies are not available for such purpose.

Section 10.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners of such proceeds in the following manner:

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as provided herein. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, remittance to owners and any Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Mortgagee.

(c) If it is determined in the manner provided herein that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to Owners and any Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Mortgagee.

(d) In making distribution to Owners and any Mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the Owners and Mortgagees to the extent the Association has been advised of the same, and their respective shares of the distribution.

Section 10.7 Association as Agent and Attorney-in-Fact. The Association is hereby irrevocably appointed agent and attorney-in-fact for each Owner to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of the claim.

Section 10.8 Notice to Owners and Mortgagees. No insurance policy required by this Declaration may be canceled or substantially modified without at least ten (10) days'

prior written notice to the Association and each Mortgagee holding a first Mortgage and which is listed as a scheduled holder of a first Mortgage in the policies. Certificates of insurance shall be issued to each Owner and Mortgagee upon written request therefor.

ARTICLE XI

RECONSTRUCTION OR REPAIR AFTER CASUALTY

Section 11.1 Obligation to Reconstruct or Repair. If any part of the Condominium Property shall be damaged by casualty, whether it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Elements. If the damaged improvement is a Common Element then the damaged property shall be reconstructed or repaired unless it is determined that the Condominium shall be terminated because of damage to Units as set forth in Article 11.1(b).

(b) Units.

(i) Minor Damage. If the damage is to Units and if less than fifty percent (50%) of the Units are found by the Board of Directors of the Association to be untenantable, the damaged property shall be reconstructed or repaired.

(ii) Major Damage. If the damage is to Units and if fifty percent (50%) or more of the Units are found by the Board of Directors of the Association to be untenantable, then the damaged property will be reconstructed or repaired unless within one hundred and eighty (180) days after the casualty, the holders of eighty percent (80%) of all votes of the Association agree in writing to not reconstruct or repair and to terminate the Condominium. Any election to terminate the Condominium after substantial destruction or a substantial taking in condemnation of the Condominium Property must have the prior approval of the Mortgagees holding first mortgages on Units to which at least sixty-seven percent (67%) of the votes of Units subject to Mortgages held by Mortgagees are allocated.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and attested by its Secretary as to whether or not the damaged property is to be reconstructed or repaired.

Section 11.2 Plans and Specifications. Any reconstruction or repairs must be substantially in accordance with the Plat for the damaged property as originally constituted or, in lieu thereof, according to the plans and specifications approved by the Board of Directors of the Association. Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original Condominium plans and specifications unless the approval of the Mortgagees holding first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Mortgagees are allocated is obtained.

Section 11.3 Estimates of Cost. Prior to rebuilding or repairing damage to property for which the Association has the responsibility of reconstruction or repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

Section 11.4 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association or if at any time during reconstruction and repair or upon completion of reconstruction and repair the funds from insurance for the payment of the costs of reconstruction and repair are insufficient, a special assessment shall be made against all Owners in sufficient amounts to provide funds for the payment of such costs. Such special assessments shall be in proportion to the Owner's respective obligations for the Common Expenses.

Section 11.5 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association or the Insurance Trustee and funds collected by the Association through special assessments against Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association or Insurance Trustee. If the total of assessments made by the Association in order to provide funds for the payment of costs of reconstruction and repair that are the responsibility of the Association is more than Fifty Thousand Dollars (\$50,000.00), then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee (if other than the Association) if any Unit Owner or Mortgagee requests the same. In all other cases the Association shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair. The proceeds of insurance collected on account of casualty and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) Association: Minor Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors of the Association; provided, however, that upon request by a Mortgagee that is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(ii) Association: Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is Fifty Thousand Dollars (\$50,000.00) or more, then the construction fund shall be applied to the payment of such costs and shall be paid to or for the account of the Association from time to time as the work progresses but not more frequently than once in any calendar month. The Insurance Trustee shall make payments upon the written request of the Association for withdrawal of insurance proceeds, accompanied by a certificate dated not more than fifteen (15) days prior to such request, signed by an officer of the Association and by an architect in charge of the work, who shall be selected by the Association, setting forth that the sum requested either has been paid by

the Association or is justly due to contractors, subcontractors, materialmen, architects or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials and any amounts paid prior to the request, and stating that the sum requested does not exceed the value of the services and material described in the certificate; that, except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien upon such work against the Common Elements or any Unit; and that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds or other funds remaining in the hands of the Insurance Trustee after payment of the sum so requested.

(iii) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund; except, however, that only those portions of distribution for the beneficial owners in excess of assessments paid by an Owner to the construction fund shall be made payable to any Mortgagee.

(iv) Certificate. Notwithstanding the provisions of this instrument, the Insurance Trustee shall not be required to determine whether sums paid by the Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to any or all of such matters and stating that sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, however that when a Mortgagee is required in this instrument to be named payee, the Insurance Trustee shall also name the Mortgagee as a payee of any distribution of insurance proceeds to an Owner; and further provided, that when the Association or a Mortgagee that is the beneficiary of any insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be first obtained by the Association prior to disbursements in payment of costs of reconstruction and repair.

Section 11.6 Eminent Domain. The Association is hereby empowered to defend and/or settle any action or threatened action with respect to the taking in condemnation of any portion of the Common Elements or any Unit or portion of any Unit. Upon obtaining knowledge of such action or threatened action, the Association shall notify all affected Mortgagees of record of same.

(a) Common Elements. Any award or settlement made as result of such a taking of all or a portion of the Common Elements shall be made payable to the Association. Any such award or settlement shall be held in trust by the Association for the benefit of the Owners and Mortgagees holding a first Mortgage as their interest may appear. In the event any repair or restoration of the Common Elements is necessary in the opinion of a majority of the

Board of Directors of the Association on account of such taking, or in the event a majority of the voting interests at a duly called and constituted meeting of the Association promptly approve such restoration or repair, the Board of Directors shall arrange for same and shall disburse such of the proceeds of such award or settlement as shall reasonably be necessary to effect such restoration or repair to the contractors engaged for such purpose in appropriate progress payments. The balance of such proceeds, or all of such proceeds if no determination to repair or restore is made, shall be disbursed by the Association in the same manner as insurance proceeds under Section 10.6 hereof where there is no repair or restoration of damage.

(b) Units. Any award or settlement for the taking in condemnation of a Unit shall be made payable to the Association for the benefit of the Owners thereof. In the event any repair or restoration of the Unit is necessary, and a majority of the voting interests appurtenant to that Unit at a duly called constituted meeting of the Association promptly approves such restoration or repair, the Board of Directors shall arrange for same and shall disburse such of the proceeds of such award or settlement as shall reasonably be necessary to effect such restoration or repair to the contractors engaged for such purpose in appropriate progress payments. The balance of such proceeds, or all of such proceeds if no determination to repair or restore is made, shall be disbursed by the Association as to the Owners of that Unit in the same manner as insurance proceeds under Section 10.6 hereof above. If a temporary taking in condemnation of use (but not title) of a Unit occurs, the entire award or settlement for such temporary taking shall be paid to the Association for the benefit of the Owners and their Mortgagees of such Unit.

Section 11.7 Notice to Mortgagees. Any Mortgagee, upon written request to the Association (such request to state the name and address of such Mortgagee and the Unit number at issue), will be entitled to timely written notice of any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first Mortgage held, insured or guaranteed by such Mortgagee.

Section 11.8 Consent Required for Reallocation of Interests in Common Elements. No reallocation of interest in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium may be affected without the approval of the Mortgagees holding first Mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Mortgagees are allocated to the extent such Mortgagees have given notice to the Association as set forth in Section 11.7 hereof.

ARTICLE XII

USE RESTRICTIONS

The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists:

Section 12.1 Subdivision of Units. No Unit may be divided or subdivided into a smaller Unit.

Section 12.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the personal use of the Owners and Occupants, their guests, family members, lessees and other authorized persons allowed in the Units.

Section 12.3 Nuisance. No nuisance shall be allowed upon the Condominium Property or within a Unit, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Condominium Property by the Owners or Occupants. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No Owner shall permit any use of a Unit or make or permit any use of the Common Elements that will increase the cost of insurance upon the Condominium Property.

Section 12.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or a Unit, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium Property or a Unit shall be the same as the responsibility for the maintenance and repair of the property concerned as set forth herein.

Section 12.5 Signs. No "For Sale" signs or other displays or advertising shall be maintained on any part of the Common Elements or Units except that the right is specifically reserved to the Developer (and entities affiliated with the Developer or employed by the Developer to market the Units), in its sole discretion, to place and maintain signs on the Condominium Property.

Section 12.6 Prohibited Vehicles. No trailers, commercial vehicles, boat trailers, or watercraft of any kind (excluding those vehicles owned by the Developer or the Management Company) shall be parked in any parking space, except such temporary parking spaces provided for the purpose as may be necessary to effectuate deliveries to the Condominium, the Association or the Owners. Watercraft of any kind may not be stored on the Condominium Property without express written permission of the Association or the Management Company. Bicycles and motorcycles shall not be stored on the Condominium Property except in areas designated for such purpose.

Section 12.7 Exterior Appearance. No Owner shall decorate or alter any part of a Unit so as to effect the appearance of the Unit from the exterior. Such decoration or alteration shall include, without limitation, painting or illumination of the exterior of a Unit, reflective film or other window treatments, draperies, window shades, screen doors and lights. The Association shall have the sole discretion, which may be based on aesthetic principles only, to determine compliance with this provision.

Section 12.8 Noise. In order to ensure the comfort of all Owners and Occupants, radio, audio and television sets, and any and all other such equipment generating noise should be turned down to a minimum volume so as not to disturb other Owners and Occupants between the hours of 11:00 p.m. and 8:00 a.m. All other unnecessary noises between these hours should be avoided.

Section 12.9 Obstructions. Sidewalks, entrances, driveways, passages, patios, courts, stairways, corridors, halls and/or all other areas intended for common use must be kept open and shall not be obstructed in any manner. Rugs or mats, except those either permitted or placed by the Association, must not be placed outside of doors in corridors. No signs, notices or advertisements shall be inscribed or exposed on or at any window of a Unit or any part of the Condominium Property, except such as shall have been approved in writing by the Association or is permitted by the Condominium Documents; nor shall anything be projected out of any window on the Condominium Property. All personal property of Owners shall be stored within the Unit.

Section 12.10 Children. Children are to play only in areas either designated or clearly intended for play, and they are not to play in public halls, stairways, or other common areas which would cause an obstruction. Reasonable supervision by parents or guardians must be exercised at all times when children are playing on the Condominium Property.

Section 12.11 Balconies. No receptacles or other movable objects, except for plants and plant containers, may be kept, placed or maintained on ledges or balconies. To protect against injuries, no objects shall be hung from balconies or window sills. No cloth, clothing, rugs or mops shall be hung up or shaken from windows, doors or balconies. Owners shall not allow anything to be thrown from or to fall from windows, doors, balconies or the interior of the building from hall doors.

Section 12.12 Hallways. Bicycles, garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed in the halls or on staircase landings without prior authorization from the Association or the Management Company. No Owner shall allow doors to the corridor to remain open for any purpose other than the immediate ingress and egress.

Section 12.13 Entry for Emergencies. In case of emergency originating in or threatening any Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, the Management Company or any other person authorized by the Board of Directors, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the Association or its designee shall be allowed to retain a key for each Unit.

Section 12.14 Plumbing. Plumbing shall not be used for any other purposes than those for which it was constructed, and no sweepings, rubbish, rags or other foreign substances shall be deposited into plumbing. The cost of any damage resulting from misuse shall be borne by the Unit Owner.

Section 12.15 Roof. Owners are not permitted on the roof of any building within the Condominium Property for any purpose without the express approval of the Association or the Management Company.

Section 12.16 Solicitation. There shall be no solicitation by any person anywhere on the Condominium Property for any cause, charity or purpose whatsoever, unless specifically

authorized in writing by the Association or the Management Company, except for solicitation by the Developer or an entity affiliated with the Developer in marketing the sale or rental of Units.

Section 12.17 Parking. No vehicles shall be parked in any unauthorized area.

Section 12.18 Storage of Dangerous Items. No hazardous, inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Unit, Common Element or Limited Common Element except as are required for normal household use.

Section 12.19 Employees/Agents Control and Entry of Units. Employees or agents of the Association or Management Company, and employees or agents of the Developer's or affiliated entity's on-going sales are allowed to be on the Condominium Property at any time. No Owner or Occupant shall direct, supervise or in any manner attempt to assert any control over the employees of the Management Company or the Association. Violations of these Rules and Regulations, or other matters of concern, should be brought to the attention of the Management Company for proper resolution. Employees or agents of the Management Company shall be permitted, during reasonable hours, to enter Units for maintenance and repairs.

Section 12.20 Complaints. Complaints regarding the management of the Condominium shall be made in writing to the Management Company, as long as the Management Contract remains in effect, and thereafter, to the Association.

Section 12.21 Weapons. No guns, firearms, fireworks, explosives, knives, or weapons of any kind shall be permitted in any Unit or anywhere on the Condominium Property.

Section 12.22 Pets. Unit Owners will be responsible for any damages to the Condominium Property, to people, to other property, both real and personal, or other pets caused by any pet allowed to be kept or maintained in his Unit. The Board of Directors of the Association shall have the authority to make and enforce Rules and Regulations regarding pets kept or maintained on any portion of the Condominium Property.

Section 12.23 Condominium Rules and Regulations. Additional Rules and Regulations concerning the use of Condominium Property may be promulgated and amended from time to time by the Board of Directors of the Association in the manner provided by its Articles of Incorporation and Bylaws.

Section 12.24 Developer's Use. The Developer, its agents or an entity affiliated with the Developer may make such use of the Common Elements and the Units as may facilitate the sale or rental of Units, including, without limitation, showing of the property, maintaining a sales office within a Unit, maintaining a model Unit, and the display of signs and other promotional devices.

Section 12.25 Antennas and Satellite Dishes. No antennas or satellite dishes of any type designed to service a Unit shall be allowed on the Common Elements except as may be provided by the Association to serve as a master antenna for the benefit and use of the Condominium. No electrical or other equipment may be operated on the Condominium Property which interferes with broadcast or cable television signal reception.

ARTICLE XIII

ALIENABILITY OF UNITS

Section 13.1 No Alienability Restrictions. The right of an Owner to sell, transfer, assign or hypothecate his Unit shall not be subject to the approval of the Association. Accordingly, a proper transfer or conveyance of such Unit shall not require the written approval of the Association.

Section 13.2 Leasing and Rental Restrictions. Owners may lease or rent their Units for non-transient occupancy. The Board of Directors of the Association shall have the right to make and enforce Rules and Regulations regarding the leasing of Units in the Condominium.

ARTICLE XIV

COMPLIANCE AND DEFAULT

Section 14.1 Compliance and Default. Each Owner shall be governed by and shall comply with the terms of the Condominium Documents and the Condominium Rules and Regulations adopted pursuant to those documents and as they may be amended from time to time. Failure of an Owner to comply with the provisions of such documents and regulations shall entitle the Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including, without limitation, imposition of fines and penalties by the Board of Directors, an action for damages, an action for injunctive relief or an action for declaratory judgment. Failure of the Association to comply with the provisions of the Condominium Documents and the Condominium Rules and Regulations adopted pursuant to those documents as they may be amended from time to time shall entitle the Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including, without limitation, an action for damages, an action for injunctive relief or an action for declaratory judgment. All provisions of this Declaration shall be enforceable equitable servitudes and shall run with the land and shall be effective until the Condominium is terminated.

Section 14.2 Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of an Owner or the Association to comply with the terms of the Condominium Documents or the Condominium Rules and Regulations adopted pursuant to them as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and recover such reasonable attorney fees incurred therein, including all appeals and all proceedings in bankruptcy.

Section 14.3 No Waiver of Rights. The failure of the Association or any Owner to enforce any covenant, restriction, provision of the Act, the Condominium Documents or the Condominium Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

Section 14.4 Injunctive Relief. The Association may seek an injunction from a court to compel compliance or prohibit or violation of the Condominium Documents regardless of whether an adequate remedy at law exists.

Section 14.5 Governing Law; Waiver of Jury Trial; Venue of Actions. This Declaration shall be governed by, and shall be construed in accordance with, the laws of the State of Alabama, as the same may exist on the date of recording hereof. **The Association, an Owner or Owners, the Developer, the Management Company and any other party claiming rights or obligations by, through or under this Declaration, or two or more of the foregoing, each hereby waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against the others concerning the interpretation, construction, validity, enforcement or performance of this Declaration or any other agreement or instrument executed in connection with this Declaration.** In the event any such suit or legal action is commenced by any party, the other parties hereby agree, consent and submit to the personal jurisdiction of the circuit court for the county in which the Condominium is situated, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party hereby waives any and all personal rights under applicable law or in equity to object to the subject matter or personal jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

ARTICLE XV

AMENDMENTS

Section 15.1 By Owners. Except as otherwise provided herein relating to Development Rights, this Declaration may be amended in the following manner:

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

(b) Resolution. A resolution for the adoption of a proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered.

(c) Adoption. A resolution amending the Declaration shall be adopted in the following manner:

(i) Board of Directors. Until the first election of a majority of the directors of the Association by Owners other than the Developer, proposal of any amendment and approval thereof shall require only the affirmative action of two-thirds (2/3) of the entire

membership of the Board of Directors of the Association, and no meeting of the Owners nor any approval thereof need be had. However, no amendment may, unless specifically approved as provided in Section 15.1(c)(2) or below:

(A) change the configuration, boundaries or size of any Unit in any material fashion;

(B) materially alter or modify the allocated interests to the Unit, including voting rights, rights to use Common Elements, interests in Common Elements or the leasing of Units;

(C) materially amend any provision regulating assessments, assessment liens or subordination of liens;

(D) materially amend any provision regarding reserves for maintenance, repair and replacement of the Common Elements;

(E) materially amend any provision regarding insurance or fidelity bonds;

(F) materially amend any provision regarding the responsibility for maintenance and repair of the Condominium;

(G) materially amend any provision regarding expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;

(H) impose any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey a Unit;

(I) establishes self-management by the Association where professional management has been required by any Mortgagee;

(J) which address the convertibility of Units into Common Elements or Common Elements into Units; or

(K) which changes the proportion or percentage by which an Owner shares the Common Expenses and owns the Common Surplus.

(ii) Board of Directors and Owners. In addition to the procedure set forth above and after the first election of a majority of the Directors of the Association by Owners other than the Developer, a resolution for the adoption of a proposed amendment may be proposed by the Board of Directors of the Association or by the Owners. Owners may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than holders of thirty-three percent (33%) of all of the votes of the Association. Amendments may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided, the President or, in the event of his refusal or failure to act, the Board of

Directors, shall call a meeting of the Owners to be held not sooner than fifteen (15) days nor later than sixty (60) days thereafter for the purpose of considering said amendment. Directors and Owners not present at the meeting considering the amendment may express their approval in writing by delivering a proxy, provided such proxy is delivered by the Secretary at or prior to the meeting. Except as provided herein, such approvals must be by:

(A) not less than sixty-seven percent (67%) of the entire membership of the Board of Directors and not less than sixty-seven percent (67%) of the votes of the Association; or

(B) an agreement signed and acknowledged by all Owners in the manner required for the execution of a deed; and

(iii) Any amendment listed under Section 15.1(c)(1) or 15.1(c)(2) requires the consent of those Mortgagees providing notice to the Association under Section 15.3 below. Any amendment which would adversely affect Mortgagees must have the prior written consent of those Mortgagees providing notice to the Association under Section 15.3 below and holding a first Mortgage on Units to which at least fifty-one percent (51%) of the votes of the Association appertain and the consent of Owners representing not less than sixty-seven percent (67%) of all of the votes of the Association.

(d) Execution and Recording. Each amendment shall be attached to or shall contain a certificate certifying that the amendment was duly adopted, and the certificate shall be executed by the President of the Association and attested by the Secretary with the formalities of a deed, and said amendment shall be effective upon recordation of the amendment and certificate in the Office of the Judge of Probate of Tallapoosa County, Alabama.

Section 15.2 By the Developer. The Developer reserves the right at any time, so long as it owns any of the Units in the Condominium, to unilaterally amend this Declaration as it may deem appropriate, in its sole discretion, to exercise any Development Right, to correct scrivener's errors, to assign or reassign any Limited Common Elements, to carry out the purposes of the project, or as may be required by any lending institution, FHA, VA, FHLMC, FNMA, title insurance company or public body or as may be necessary to conform the same to the requirements of law or to facilitate the operation and management of the Condominium or the sale of Units in an FHA/VA approved condominium. Any amendments to this Declaration which may be unilaterally made by the Developer shall become effective upon the recording in the Office of the Judge of Probate of Tallapoosa County, Alabama, of an instrument executed solely by the Developer, setting forth the text of such amendment in full, together with the appropriate recording data of this Declaration.

No amendment to this Declaration unilaterally made by the Developer shall be permitted if such amendment would: (i) change the configuration, boundaries or size of any Unit in any material fashion; (ii) materially alter or modify the appurtenances to any Unit, including voting rights, rights to use Common Elements, interests in the Common Elements or the leasing of Units; (iii) materially change the proportion or percentage by which the Owners share the Common Expenses and own the Common Surplus; (iv) materially amend any provision contained within this Declaration, the Association Articles or Bylaws regulating assessments,

assessment liens or the subordination of liens, reserves for maintenance, repair or replacement of Common Elements; (v) materially modify the responsibility for maintenance and repair of the Condominium Property; (vi) materially modify the provisions regarding expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium; (vii) address the convertibility of Units into Common Elements or Common Elements into Units; (viii) impose any right of first refusal or similar restrictions on the right to transfer or otherwise convey a Unit; (ix) establish self-management by the Association where professional management has been required by any Mortgagee; or (x) materially amend any provision in this Declaration regarding insurance or fidelity bonds.

Section 15.3 Notice to Mortgagees. Any Mortgagee, upon written request to the Association (such request to state the name and address of such Mortgagee and the Unit number at issue), will be entitled to timely written notice of any proposed amendment to this Declaration.

ARTICLE XVI

TERMINATION

The Condominium may be terminated in the following manner, in addition to the manner provided by the Act:

Section 16.1 Agreement. The Condominium may be terminated at any time by the approval in writing of eighty percent (80%) of all Owners and sixty-seven percent (67%) of all Mortgagees of record. Notice of a meeting at which the proposed termination is to be considered shall be given not less than thirty (30) days prior to the date of such meeting.

Section 16.2 Certificate. Termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying to the facts effecting the termination, together with a plan of termination; said certificate and plan to become effective only upon being recorded in the Office of the Judge of Probate of Tallapoosa County, Alabama.

Section 16.3 Shares of Owners after Termination. After termination of the Condominium, each Owner shall own an undivided share of the Condominium Property and all assets of the Association as a tenant in common in accordance with Exhibit "E" attached hereto.

Section 16.4 Notice to Mortgagees. Any Mortgagee, upon written request to the Association (such request to state the name and address of such Mortgagee and the Unit number at issue), will be entitled to timely written notice of any proposed termination of the Condominium.

ARTICLE XVII

VOTING RIGHTS

Association Membership and Voting. Each Unit shall have one (1) vote in the Association. Where a Unit is owned by more than one owner who are not husband and wife, the co-owners of the Unit shall file a voting certificate with the Association, in accordance with the Articles and Bylaws of the Association, setting forth which co-owner is designated to cast the vote for that Unit.

ARTICLE XVIII

MERGER

This Declaration, the Association and the Common Elements of the Condominium described herein may be merged with the declaration of condominium, condominium association and common elements of another independent and separate condominium to form a single condominium with the consent of eighty percent (80%) of the total number of voting interests and with the approval of sixty-seven percent (67%) of all Mortgagees holding Mortgages on the Units. In the event such consent and approval is obtained, a new or amended declaration of condominium, articles of incorporation and bylaws of the Association shall be recorded and shall contain such provisions as are necessary to amend and modify the appurtenances to the Units and percentages by which the Owners of Units share the Common Expenses and own the Common Surplus and Common Elements in order to create a consolidated single condominium.

ARTICLE XIX

SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any article, section, subsection, sentence, clause, phrase or word, or other provision of the Condominium Documents and the Rules and Regulations shall not affect the validity of the remaining portions.

ARTICLE XX

DEVELOPMENT DESCRIPTION

Section 20.1 Description of Phasing. It is the intention of the Developer to develop the Condominium in phases in accordance with Development Rights reserved to the Developer in this Declaration of Condominium and as permitted under the Act. Originally the Condominium will consist of one (1) 5-story building containing a total of thirty-five (35) Units. Each floor of the building will contain seven (7) Units. The Condominium will also consist of a swimming pool with pool deck, a cabana, pool facilities, gazebos, seawall/boardwalk and private

beach. The Unit types in the Condominium will be a three (3) bedroom Unit with two bathrooms and a three (3) bedroom Unit with three bathrooms. The legal description and site plan for the Condominium is more fully set forth in the attached Exhibits "A" and "D."

Time-share estates will not be created with respect to units in any phase of the Condominium.

Section 20.2 Impact of Phasing: Change in Ownership of Common Elements, Common Surplus and Share of Common Expenses. The impact which the completion of all of the contemplated but not required additional phases would have on the Condominium would be to increase the number of buildings in the Condominium from a minimum of one (1) to a maximum of twenty (20), and to increase the number of Units in the Condominium from a minimum of thirty-five (35) to a maximum of two hundred and fifty (250) Units. The change in ownership of Common Elements and Common Surplus and the change in the share of Common Expenses liability attributable to each Unit by the addition of the Additional Property through additional phases shall be determined in accordance with the formula set forth in Exhibit "F" attached hereto and incorporated herein by this reference.

Section 20.3 Completion of Phases. The Developer may submit additional phases, if at all, to the condominium form of ownership in its sole and absolute discretion. The Developer shall have up to seven (7) years from the date of recording this Declaration to complete construction of additional phases and declare such phases as part of the Condominium. The Developer also specifically reserves the right to amend this Declaration and Exhibit "D" attached hereto, without the approval of the Owners or their Mortgagees and consistent with Alabama law, to change the estimated completion dates of any phase (provided, however, all phases must be completed if declared within seven (7) years of the date hereof), to add to any recreational facilities proposed for any phase and/or to change any of the items required to be included in this Declaration for any Development by the Act.

The Developer shall have the right to withdraw any of the Condominium Property that is undeveloped property in the Condominium inadvertently submitted to the condominium form of ownership within the seven (7) years referenced above. Further the Developer shall have the right to construct and submit additional Common Element and Limited Common Element amenities on the Condominium Property within said seven (7) year period.

Section 20.4 Recreational Areas, Facilities, and Parking Spaces. The recreational areas, facilities and parking spaces located within the Condominium are described in the attached Exhibit "D". The Developer expressly reserves the right to add recreational facilities to the Condominium at the Developer's cost as part of the phase development process and such recreational facilities will become part of the Common Elements of the Condominium and will be maintained by the Association, the cost thereof to be paid by the Association as a Common Expense. As set forth in Paragraph 20.3 herein, the Developer reserves the right to amend Exhibit "D" attached hereto to add any recreational facilities proposed for any future phase of Condominium development.

Section 20.5 Additions. Additional phases may be added to this Condominium and shall become Condominium Property by the execution and recording in the Office of the

Judge of Probate for Tallapoosa County, Alabama, of any amendment to the Plat and this Declaration executed by the Developer, its successors or assigns only, and such amendment shall not require the execution or consent of any Owners other than the Developer.

Section 20.6 Minimum and Maximum Numbers and General Size of Units; Reservation of Right to Change Unit Sizes. Developer reserves the right to change the size and type of Units and the mix of Unit type within all phases at its sole discretion and without notice to Owners.

IN WITNESS WHEREOF, the Developer has executed this Declaration of Condominium this 13th day of August, 2007.

LAKE MARTIN PARTNERS, LLC,
an Alabama limited liability company

By: [Signature]
Its Member

STATE OF ALABAMA
COUNTY OF HOUSTON

I, Claudia A. Thompson, a Notary Public in and for said County in said State, hereby certify that James R. Paxton, whose name is signed to the foregoing Declaration of Condominium as Member of Lake Martin Partners, LLC, an Alabama limited liability company, and who is known to me, acknowledged before me on this day that, being informed of and understanding the contents of same, that he executed the same voluntarily as such Member for and on behalf of the limited liability company on the day the same bears date.

Given under my hand the 13th day of August, 2007.

(Notary Seal)

Claudia A. Thompson
Notary Public, State at Large
My Commission Expires 10.1.07

The undersigned, as MORTGAGEE under the Mortgage encumbering the real property identified in the foregoing Declaration of Condominium of Stoneview Summit at Stillwaters Condominium, joins in the execution of the foregoing Declaration of Condominium of Stoneview Summit at Stillwaters Condominium, for the sole purpose of establishing the validity of the Declaration of Condominium of Stoneview Summit at Stillwaters Condominium, as required by §§ 35-8A-101, *et seq.* of the CODE OF ALABAMA. The undersigned is not the Developer, and does not assume any obligation whatsoever under the terms, covenants and conditions of the foregoing Declaration of Condominium, and the execution hereof does not in any way subordinate or make the said Mortgage inferior to the said Declaration of Condominium.

MORTGAGEE:

Empire Financial Services, Inc.

By: J. David Dyer, Jr.
Its President

Georgia
STATE OF ALABAMA)
~~JEFFERSON COUNTY~~)
Baldwin

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that J. David Dyer, Jr. whose name as President of Empire Financial Services, Inc. is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Declaration of Condominium, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said President on the day the same bears date.

Given under my hand and seal of office this 20th ^{August} day of ~~July~~, 2007.

[NOTARIAL SEAL]



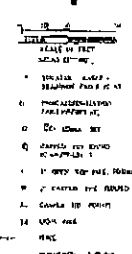
Jan K. Lloyd
Notary Public

My commission expires: 3-19-11

EXHIBIT "A"

Legal Description of Condominium Property

(Being a revision of Lot 7 Sunset Point Subdivision Phase 4
as recorded in Plat Book 10 page 45 & of
Lot 66 Sunset Cove 1 Condominium
as recorded in Plat Book 10 page 64)
SECTIONS 1 & 2, TOWNSHIP 20 NORTH, RANGE 22 EAST
TALLAPOOSA COUNTY, ALABAMA



Private *Shirley* *10-11-67* *Approved*
Telephone *2-0-9-1*

10-11-67

APPROVED BY THE HEALTH DEPARTMENT
[Signature] [Date] *10-11-67*

APPROVED BY THE COUNTY ENGINEER
[Signature] [Date] *10-11-67*

APPROVED BY THE COUNTY TOWNSHIP
[Signature] [Date] *10-11-67*

APPROVED BY THE COUNTY TOWNSHIP
[Signature] [Date] *10-11-67*

- [illegible]

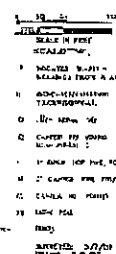


MAXWELL, ROGERRENG , LARD SHUYING, TE
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EXHIBIT "B"

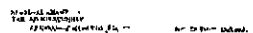
Legal Description of Additional Property

Book & revision of Lot 7 Sunset Point Subdivision Place
as recorded in Plat Book 16 page 45 & n' -
Lot 66 Sunset Cove Condominium
as recorded in Plat Book 16 page 64)
SECTION 1 & 2, TOWNSHIP 20 NORTH, RANGE 22 EAST
TALLAPOOSA COUNTY, ALABAMA



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DATE	TIME	LOCATION	WIND	TEMP	REL. HUM.	SEA	WAVE	WIND	TEMP	REL. HUM.	SEA	WAVE
10	08:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
11	09:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
12	10:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
13	11:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
14	12:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
15	13:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
16	14:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0
17	15:00	01	10	22.0	75	1.0	1.0	10	22.0	75	1.0	1.0



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— *Author's address: Department of Mathematics, University of Illinois at Chicago, Chicago, IL 60607, USA.*

$$-\frac{8.75}{62} \approx -\frac{14}{100}$$

1. The following are the names of the persons who have been appointed to the various positions in the Department of the Interior, for the term of years indicated:

(Faint, illegible handwritten notes)

2012

James J. ...
...

STATE OF ALABAMA
TOLSON V. STATE
1. The defendant, a Native American, and a member of the...

100-443887-100

Case 11, 1960

NOTARY PUBLIC
My Comm. Expires 05/24/10

Approved by the Board of Directors on 12/15/2011

Office of Intelligence Analysis, Arlington

Christie W. H. - 1881 - 2-11-07

Quita H. Murphy 6-11-77 Approved
Tallapoosa Co. Q-1

10. The following information is being furnished to you for your information only. It is not intended to be used for any other purpose.

[illegible]

104M
 6/4/57
 BY THE COUNTY CLERK
 THE CLERK OF THE COUNTY OF ST. LOUIS

Approved: *[Signature]* Date: *6/2/07*

MANUFACTURING LAID SERVING

V¹ MD 251-1000 OCT 1961
1961 1961 1961

Statewide System of
Secondary Education

I. J. [unclear]
FRANK M. [unclear]
CARRIE A.
[unclear]

EXHIBIT "C"

Bylaws

EXHIBIT "C"

BYLAWS OF STONEVIEW SUMMIT ASSOCIATION, INC.

ARTICLE I

THE ASSOCIATION

Section 1. Identity. These are the Bylaws of **STONEVIEW SUMMIT ASSOCIATION, INC.**, an Alabama not-for-profit corporation (the "Association"), which was formed under the Alabama Nonprofit Corporation Act [CODE OF ALABAMA 1975 §§ 10-3A-1 *et seq.*] by filing the Articles of Incorporation of the Association (the "Articles") with the Office of the Judge of Probate of Tallapoosa County, Alabama on August 22, 2007. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of **STONEVIEW SUMMIT AT STILLWATERS CONDOMINIUM** (the "Condominium"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991 [CODE OF ALABAMA §§ 35-8A-101 *et seq.*] and the Declaration of Condominium of Stoneview Summit at Stillwaters Condominium (the "Declaration"), as filed with the Office of the Judge of Probate of Tallapoosa County, Alabama, in accordance with the provisions of said Act.

Section 2. Principal Office. The principal office of the Association in the State of Alabama shall be located in Tallapoosa County. The Association may have such other offices, either within or without the State of Alabama, as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 3. Registered Office. The registered office of the Association, required by the Alabama Nonprofit Corporation Act to be maintained in the State of Alabama, may be, but need not be, identical with the principal office in the State of Alabama, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERSHIP

Section 1. Annual Meeting. The annual meeting of the Membership shall be held in the month of November each year or such other month as shall be designated by the Board of Directors, beginning with the year 2008 on a date to be designated by the Board of Directors, or at such other time as shall be fixed by the Board of Directors, for the purpose of electing directors, if the period of Developer control has ended, and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of the Membership, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by a majority of the Board of Directors and shall be called by the President or the Secretary at the

request of holders of not less than ten percent (10%) of all the outstanding votes of the Membership.

Section 3. Place of Meeting. The Board of Directors may designate any place, within or without the State of Alabama, as the place of meeting for any annual meeting or for any special meeting of the Membership. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be the principal office of the Association in the State of Alabama.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and, also, (a) in case of a special meeting, or (b) of a meeting which is required by statute to be held for any special purpose, or (c) of an annual meeting at which special action is to be taken, the purpose or purposes for which the meeting is called, or the special action which is proposed to be taken. Such notice shall, unless otherwise prescribed by statute, be delivered not less than ten (10), nor more than sixty (60), days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 5. 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 Membership, 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 Membership, the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of the Membership has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 6. 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 Membership, 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 7. Quorum. The presence at any meeting of the Membership of the members entitled to cast thirty percent (30%) of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented,

any business may be transacted which might have been transacted at the meeting as originally notified. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 8. Majority Vote. The vote of members entitled to cast a majority of the votes represented at a meeting of the Membership at which a quorum is present shall be the act of the members of the Association, unless the vote of a greater number is required by law, the Declaration, the Articles, or these Bylaws.

Section 9. Proxies. At all meetings of the Membership, a member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. A proxy is void if it is not dated or purports to be revocable without notice. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after one (1) year from the date of its execution, unless a shorter term is provided in the proxy.

Section 10. Voting Rights. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority-in-interest of the multiple Owners. There is a majority agreement if any one (1) of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

Section 11. Informal Action by Members. Any action required to be taken at a meeting of the Membership, or any other action which may be taken at a meeting of the Membership, 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.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by, or under the direction of, its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the Association shall consist of not less than three (3), nor more than seven (7), directors, with the exact number to be fixed from time to time by the members holding a majority of the votes of the Association. The initial Board of Directors shall consist of three (3) directors. Each director shall hold office until the next annual meeting of the members and until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed as provided for herein.

Section 3. Election of Directors.

(a) Election of directors shall be held at the annual meeting of the Membership. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. The Owner of each whole Unit shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled at the time of the election. There shall be no cumulative voting.

(b) Notwithstanding the provisions set forth in this Article III, LAKE MARTIN PARTNERS, LLC, an Alabama limited liability company (the "Developer"), its successors and assigns, shall control by appointing and renewing officers and members of the Board until such time as (a) sixty (60) days have elapsed since seventy-five percent (75%) of the Units which may be created in the Condominium have been conveyed to purchasers of Units other than the Developer, (b) two (2) years have elapsed since Developer has ceased offering Units for sale in the ordinary course of business, or (c) two (2) years have lapsed since Developer last exercised a development right to add new Units to the Condominium, or (d) the Developer elects, at its option, to terminate control of the Association, whichever first occurs. Not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Developer, the Unit Owners other than Developer shall be entitled to elect at least one member or twenty-five percent (25%) of the members of the Board. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than Developer, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units which may be created in the Condominium. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10), nor more than thirty (30), days' notice of a special meeting of the membership for the purpose of electing the members of the Board of Directors.

64 units

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Membership; provided, however, any such regular meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings, or in a consent and waiver of notice thereof, signed by all Directors. The Board of Directors may provide, by resolution, the time and place, within or without the State of Alabama, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 6. Notice. Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally, mailed to each director at his business address, by e-mail, if the director has indicated that this is the preferred method of communication, or by fax. If mailed, such notice shall be deemed to be delivered when

deposited in the United States mail so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. 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 or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors determined in the manner fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of the majority of a quorum, 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 8. Manner of Acting. 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.

Section 9. Action Without a Meeting. Any action that may be taken by the Board of Directors 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.

Section 10. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by a majority of the remaining directors. A director elected or appointed, as the case may be, shall be elected or appointed for the unexpired term of his predecessor in office.

Section 11. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, 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 12. Committees. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one (1) or more committees, each of which shall consist of two (2) or more directors and which, to the extent provided in said resolution or resolutions or in the Bylaws of the Association, shall have, and may exercise, all of the powers of the Board of Directors in the management of the activities and affairs of the Association and may have power to authorize the seal of the Association to be affixed to all papers which may require it; except that no such committee shall have the authority of the Board of Directors in reference to (a) amending, altering or repealing the Bylaws; (b) electing, appointing or removing any member of any such committee or any director or officer of the Association; (c) amending the Articles, restating the Articles, adopting a plan of merger or adopting a plan of consolidation with another corporation; (d) authorizing the sale, lease, exchange, or mortgage of all, or substantially all, of the property and assets of the Association; (e) authorizing the voluntary

dissolution of the Association or revoking proceedings therefor; (f) adopting a plan for the distribution of assets of the Association; or (g) amending, altering or repealing any action or resolution of the Board of Directors which, by its terms, provides that it shall not be amended, altered, or repealed by such committee. The designation of such committee or committees, or the delegation thereto of authority, shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

Section 13. Resignations. 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 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 14. Place of Meeting. The Board of Directors may designate any place within or without the State of Alabama as the place of meeting for any regular or special meeting of the Board of Directors.

Section 15. 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 shall file his written dissent to such action with the person acting as the 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.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Association shall be a President, one (1) or more Vice President(s) (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two (2) or more offices may be held by the same person, except the President and Secretary. The failure of the Board of Directors to elect any officers other than a President and a Secretary shall not constitute a violation of these Bylaws.

Section 2. Election and Term of Office. The officers of the Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Membership. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, by the affirmative vote of the Board of Directors, whenever, in their judgment, the best interests of the Association will be served thereby. Any

such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not, of itself, create any contract rights in favor of such officer.

Section 4. Vacancies. A vacancy in any office elected or appointed by the Board of Directors, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. 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 shall preside at all meetings of the Membership. He may sign, with the Secretary or an Assistant Secretary, any deeds, mortgages, bonds, contracts or other instruments 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 or by these Bylaws 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 6. Vice President. 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 at the time of their election, 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 the powers of, and be subject to, all the restrictions upon the President. Any 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 7. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) 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; (d) keep a register of the mailing address of each member which shall be furnished to the Secretary by such member; (e) have general charge of the transfer books of the members of the Association; and (f) 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 8. Treasurer. The Treasurer shall: (a) have charge and custody of, and be responsible for, all funds and securities of the Association; (b) 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 depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general, perform all of the 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 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors. The Assistant Treasurers shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. 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, agent or agents of the Association and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

Section 4. 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 VI

BOOKS AND RECORDS

Section 1. Accounting. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Board of Directors and committees thereof and shall keep at its registered or principal office in Alabama a record of the names and addresses of members entitled to vote, directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. All books and records of the Association shall be open to inspection by the members, the Mortgagees of the members, or their authorized representatives for any proper purpose during regular business hours. Such records shall include:

(a) **Association Accounts.** The receipts and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

(1) **Current Expenses.** All funds to be expended during the year for the maintenance of the Common Elements and Limited Common Elements (as defined in the Declaration) and the operation and working capital of the

Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses and Limited Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

(2) Reserve Funds. All funds to be expended for replacement, repair, and maintenance of those portions of the Common Elements and Limited Common Elements that must be maintained, replaced, or repaired on a periodic basis shall be held in the Reserve Fund Account.

(b) Unit Accounts. An account for each Unit shall be maintained setting forth the name and address of the Unit Owner, the interest percentage in the Common Elements and Limited Common Elements, if any, assigned to that Unit, the amount of each assessment made against that Unit, the dates and amounts in which the assessments become due, the amounts paid on the account and the balance due.

Section 2. Budget. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors shall adopt a proposed budget for each calendar year that shall include the estimated funds required to defray the Common Expenses and Limited Common Expenses and to provide and maintain funds for the foregoing accounts and reserves according to generally accepted accounting principles. Within thirty (30) days of adoption of the proposed budget, copies of the budget and proposed assessments shall be transmitted to each member of the Association and a date set for a meeting of the Unit Owners to consider ratification of the budget, not less than fourteen (14) days, nor more than thirty (30) days, after delivery of the budget to the Unit Owners. Unless, at the meeting, a majority of all Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time a new budget is ratified.

Section 3. Assessments. Assessments against the members for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 31, preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

Section 4. Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the members concerned, and it shall be due 30 days after such notice, in such manner as the Board of Directors of the Association may require in the notice of assessment.

Section 5. Audit, Review or Compilation. An audit, review or compilation of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit, review or compilation report shall be made available for review by each member or each member's Mortgagees at the office of the Management Company in Tallapoosa County, Alabama.

Section 6. Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than three (3) times the amount of the total annual assessments against members for Common Expenses and Limited Common Expenses. The premiums of such bonds shall be paid by the Association as a Common Expense.

ARTICLE VII

WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Association under the provisions of these Bylaws, the Articles of Incorporation, the Declaration, the provisions of the Alabama Nonprofit Corporation Act, and any act amendatory thereof, supplementary thereto or substituted therefor, the provisions of the Alabama Uniform Condominium Act of 1991, and any act amendatory thereof, supplemental thereto or substituted therefor, or the Alabama Constitution, 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.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE IX

INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, 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 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 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. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed 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, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, 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 the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), 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.

Any indemnification under Sections (1) and (2) above (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, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (1) and (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Membership.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by, or on behalf of, the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, 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, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE X

AMENDMENT

Section 1. Amendment to Bylaws. These Bylaws may be amended, altered or repealed in the following manner:

(a) By the Board of Directors until such time as Developer relinquishes its control of the Association; or

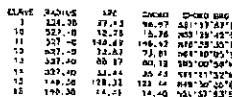
(b) By the members at any regular or special meeting (where notice of such proposed amendment has been given more than ten (10) days in advance of the meeting) upon the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the outstanding votes present and entitled to vote at such meeting in person or represented by proxy, at which a quorum is present of the Association.

Section 2. Recordation. No modification or amendment to the Bylaws shall be valid or effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file their certificate setting forth the text of the amendment with the Office of the Judge of Probate of Tallapoosa County, Alabama.

EXHIBIT "D"

Plans and Plats of the Association

(Being a revision of Lot 7 Sunset Point Subdivision Phase 1
as recorded in Plat Book 10 page 45 & of
Lot 60 Sunset Cove I Condominium
as recorded in Plat Book 10 page 6*)
SECTIONS 1 & 2, TOWNSHIP 20 NORTH, RANGE 22 EAST
TALLAPOOSA COUNTY, ALABAMA

[illegible][illegible]

1. In interviewing a fellow inmate, A and the said inmate, A was told, being fairly sure, that James A. Dalton, who was an American, had been in the prison, but that it was not to be divulged to anyone, as it was all confidential, and that the same was not to be divulged to anyone.

Case W. 12345 Date: 10/10/1917

[illegible]

FROM JOHN WARD (1) JOHN BURNHAM WAS INFORMED BY THE
COLONIAL COUNCIL THAT THE GOVERNMENT OF THE UNITED STATES
AND COUNCIL OF THE UNITED STATES OF AMERICA WERE

Richard Jones (ms) Date 07/5/01
Interview Family High School

APPROVED BY THE JUDGE: STANLEY
On this date, I, the Judge, have read the foregoing and find it to be true and correct.

I, David M. Smith, County of San Diego, State of California, do hereby certify that the within and to the foregoing is true and correct.
 My Commission Expires on September 27, 2007.
David M. Smith
 County Registrar - San Diego County

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

3. PERMIT BOUNDARIES The preliminary determination of the Unit will be the following: boundaries extending to the international area on the right side of the boundary.

(4) PERMIT BOUNDARIES The preliminary determination of the Unit will be the following: boundaries extending to the international area on the right side of the boundary.

1. PROF. DISSENTING VOTE

LAUREL ENGINEERING & LAND SURVEYING, INC.
1719 Catherine Court
P.O. Box 230 Auburn, AL 36831-0230
Phone: (334) 824-9543 FAX: 826-3144

Stenograph Summary of
F. L. [illegible]
FRAIR N. ST

EXHIBIT "E"

UNIT #	COMMON ELEMENTS ALLOCATED INTEREST	BOAT SLIP ASSIGNMENTS	VOTE
5-101	2.54%		1
5-102	2.54%		1
5-103	3.28%		1
5-104	3.28%		1
5-105	3.28%		1
5-106	2.54%		1
5-107	2.54%		1
5-201	2.54%		1
5-202	2.54%		1
5-203	3.28%		1
5-204	3.28%		1
5-205	3.28%		1
5-206	2.54%		1
5-207	2.54%		1
5-301	2.54%		1
5-302	2.54%		1
5-303	3.28%		1
5-304	3.28%		1
5-305	3.28%		1
5-306	2.54%		1
5-307	2.54%		1

5-401	2.54%		1
5-402	2.54%		1
5-403	3.28%		1
5-404	3.28%		1
5-405	3.28%		1
5-406	2.54%		1
5-407	2.54%		1
5-501	2.54%		1
5-502	2.54%		1
5-503	3.28%		1
5-504	3.28%		1
5-505	3.28%		1
5-506	2.54%		1
5-507	2.54%		1
TOTAL	100%		35

EXHIBIT "F"

**ALLOCATED INTEREST AND VOTES IN THE EVENT THAT ANY
PORTION OF THE ADDITIONAL PROPERTY IS ADDED TO THE
CONDOMINIUM**

In the event that any of portion of the Additional Property is added to the Condominium, the Allocated Interests shall be adjusted as follows:

Upon the addition of any portion of the Additional Property to the Condominium on which is located additional Units, the Allocated Interests assigned to the additional Units shall be calculated by dividing the approximate square footage of the Unit by the square footage of all of the Units then existing in the Condominium. The Allocated Interest of all previously existing Units in the Condominium will likewise be reduced by dividing the approximate square footage of the Unit by the total square footage of all of the Units then existing in the Condominium.

Each Unit shall be entitled to one (1) vote in the Association.

EXHIBIT "G"

Articles of Incorporation of the Association

This instrument was prepared by:
Carol H. Stewart
Burr & Forman LLP
3400 Wachovia Tower
420 North 20th Street
Birmingham, Alabama 35203

**ARTICLES OF INCORPORATION
OF
STONEVIEW SUMMIT ASSOCIATION, INC.,
AN ALABAMA NONPROFIT CORPORATION**

The undersigned, acting as incorporator of a nonprofit corporation under the Alabama Nonprofit Corporation Act, CODE OF ALABAMA 1975, §§ 10-3A-1, *et seq.* (the "Act") adopts the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation shall be **STONEVIEW SUMMIT ASSOCIATION, INC.**, hereinafter referred to as the "Association."

SECOND: The period of its duration is perpetual.

THIRD: This Association is not organized for profit, and the purpose for which the Association is organized is to provide an entity pursuant to the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975 §§ 35-8A-101, *et seq.* for the operation, management, maintenance, control and administration of **STONEVIEW SUMMIT AT STILLWATERS CONDOMINIUM**, located in Tallapoosa County, Alabama (the "Condominium"). Any income received by the Association shall be applied only to the nonprofit purposes and objectives of the Association, and no part of the net earnings thereof shall inure to the benefit of any private member, officer, director, or individual. The Association shall be without capital stock. The members of the Association shall not be personally liable for the debts, liabilities or obligations of the Association.

FOURTH: The powers of the Association shall include, and be governed by, the following provisions:

A. The Association shall have all the common law and statutory powers of a nonprofit corporation and the powers designated under the Alabama Uniform Condominium Act of 1991 which are not in conflict with the terms of these Articles or the Declaration of Condominium of Stoneview Summit at Stillwaters Condominium (the "Declaration"), as they may be amended from time to time, including, but not limited to, the following (capitalized terms shall have the meaning as set forth in the Declaration or the Act):

1. To acquire, hold, lease, manage, mortgage or convey real, personal or mixed property wherever situated, including, without limitation, Units in the Condominium.

2. To make and collect assessments against the members as provided in the Declaration to defray the costs, expenses and losses of the Condominium or any

other business enterprise, venture or property interest of the Association, and to use the proceeds of the assessments in the exercise of the powers and duties herein provided.

3. To borrow funds to pay for such expenditures as may be authorized by the provisions of the Declaration and to assign as security for said loan rights to future income of the Association through assessments.

4. To maintain, repair, replace, clean, sanitize and operate the property of the Condominium.

5. To purchase insurance for the protection of the Condominium and the Association and its members and to finance the cost of such insurance.

6. To make and amend reasonable Rules and Regulations respecting the use of the property of the Condominium.

7. To lease or grant easements or licenses for use of the Common Elements of the Condominium in a manner not inconsistent with the rights of Owners of Units in the Condominium.

8. To enforce by legal means the provisions of the Act, the Declaration, the Articles and Bylaws of the Association, and the Rules and Regulations for the use of the property of the Condominium or the Association.

9. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Association, except such as are specifically required to be performed by the Association.

10. To create subassociations or additional nonprofit associations to manage and operate specific aspects of the Condominium such as the commercial or retail Units, or to manage specific buildings in the Condominium.

11. The objects and purposes set forth in Article Three of these Articles shall be construed as powers, as well as objects and purposes, and the Association shall have, and may exercise, such powers as if such powers were set forth in full herein.

12. The Association shall have, and may exercise, all powers as shall enable it to do each and every thing necessary, suitable, convenient, expedient or proper for the accomplishment of any or all purposes and the attainment of any or all objects set forth in Article Three.

13. The Association shall have, and may exercise, all powers set forth in any other Article of these Articles of Incorporation, the Act, or the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975, §§ 35-8A-101, *et seq.*

B. All funds and title of properties acquired by the Association, and the proceeds therefrom, shall be held in trust for the members in accordance with the provisions of the Declaration and the Bylaws of the Association.

FIFTH: The members of the Association shall consist of all of the record owners of Units in the Condominium and, after termination of the Condominium, shall consist of those who are members at the time of such termination and their heirs, successors and assigns. Membership in the Association shall be evidenced by a deed or other instrument establishing a record title to a Unit in the Condominium recorded in the Probate Office of Tallapoosa County, Alabama. Upon such recordation, the Owner of the Unit designated by such instrument shall become a member of the Association, and the membership of the prior Owner shall be terminated. The share of a member in the funds or assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Unit. The exact number of votes to be cast by Owner(s) of a Unit and the manner of exercising voting rights shall be determined by the Declaration and the Bylaws of the Association.

Notwithstanding the foregoing, any person or entity who holds an interest in a Unit in the Condominium merely as security for the performance of an obligation shall not be a Member of the Association, unless and until such security holder or mortgagee has acquired title to the Unit pursuant to foreclosure or any proceeding in lieu thereof and the deed thereby evidencing title has been duly and properly recorded, at which time such security holder or mortgagee shall become a Member, and the debtor's membership shall thereupon cease, regardless of whether or not there is an outstanding right of redemption of the Unit.

SIXTH: The affairs of the Association shall be managed by a Board of Directors consisting of the number of directors as shall be determined by the Bylaws. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

Notwithstanding the provisions set forth in this Article Sixth, LAKE MARTIN PARTNERS, LLC, an Alabama limited liability company (the "Developer"), its successors and assigns, shall control by appointing and renewing officers and members of the Board until such time as (a) sixty (60) days have elapsed since seventy-five percent (75%) of the Units which may be created in the Condominium have been conveyed to purchasers of Units other than the Developer, (b) two (2) years have elapsed since Developer has ceased offering Units for sale in the ordinary course of business, or (c) two (2) years have lapsed since Developer last exercised a development right to add new Units to the Condominium, or (d) the Developer elects, at its option, to terminate control of the Association, whichever first occurs. Not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Developer, the Unit Owners other than Developer shall be entitled to elect at least one member or twenty-five percent (25%) of the members of the Board. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than Developer, not less than thirty-three and one-third percent (33⅓%) of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to

elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units which may be created in the Condominium. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10), nor more than thirty (30), days' notice of a special meeting of the membership for the purpose of electing the members of the Board of Directors.

The initial Board of Directors shall have three (3) Directors. The names and addresses of the members of the Board of Directors who shall hold office until their successors are elected and have qualified, or until such Directors are removed, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
James R. Paxton	142 South Woodburn Drive Dothan, Alabama 36305-1020
Wayne Roberts	PO Box 31167 Enterprise, Alabama 36331-1167
Michael Brock	142 South Woodburn Drive Dothan, Alabama 36305-1020

Other than a Board member elected or appointed by the Developer, any director may be removed, either with or without cause, at any time, by a two-thirds ($\frac{2}{3}$) vote of all persons present in person and entitled to vote at a meeting of the Unit Owners at which a quorum is present, other than a director appointed by Developer. The vacancy in the Board caused by any such removal may be filled by the members at such meeting or at any subsequent meeting in the manner prescribed in the Bylaws for the filling of vacancies on the Board.

SEVENTH: The address of the Association's initial registered office is 8220 County Road 34, Dadeville, Alabama 36853, and the name of its initial registered agent is Cindy Morgan, with the same address.

EIGHTH: The Association shall have the right to indemnify each person who shall serve as a director, officer, employee, or agent of the Association, or shall serve at the request of the Association in a similar capacity with another association, joint venture, trust, or other enterprise, to the extent to which this Association is granted the power to so indemnify such persons by any and every statute of the State of Alabama or act of the Legislature of the State of Alabama.

NINTH: No contract or other transaction between the Association and any person, firm, or association, 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 related to or interested in (either as director, stockholder, officer, employee, member or otherwise) such person, firm, or association. Any director of the Association individually, or any

firm or association of which any director may be a member of, 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 at 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 association without regard to the fact that he is also a director of such affiliated association.

TENTH: The Association may be dissolved only as set forth in the Act. Upon the dissolution of the Association, the assets of the Association shall be distributed to the members in the same manner as provided in the Declaration for the distribution of the property subject thereto upon termination of the Condominium to the extent that such dissolution is not inconsistent with the provisions of the Act.

ELEVENTH: The Association reserves the right to amend, alter, change or repeal any provision contained in these Articles in the manner now or hereafter provided by law, and all rights conferred upon officers and directors herein are granted subject to this reservation.

TWELFTH: The name and address of the incorporator is:

James R. Paxton
142 South Woodburn Drive
Dothan, Alabama 36305-1020

WHEREFORE, this incorporator files the Articles of Incorporation and tenders to the Probate Judge of Tallapoosa County, Alabama the lawful fees and charges, and prays that these Articles may be examined and approved, and that the Association may be deemed to be incorporated for the purposes herein set out on this 13th day of August, 2007.

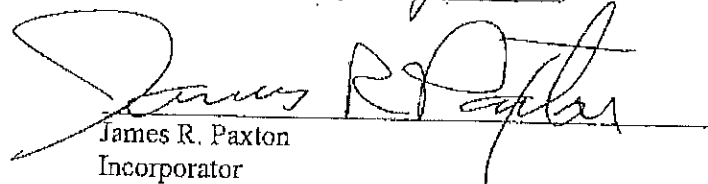

James R. Paxton
Incorporator

EXHIBIT "H"

COVENANTS & RESTRICTIONS

<u>Date</u>	<u>Recorded</u>	<u>Title</u>
08-06-71	Bk 202/Pg 131	Original Covenants to Still Waters
06-14-74	Bk 213/Pg 39	First Amendment to the Original Covenants to Still Waters
05-08-87	No. 041595	Amended and Restated Declaration of Restrictions and Protective Covenants for Still Waters
07-17-95	No. 103205	Supplemental Declaration of Restrictions and Protective Covenants for Still Waters
11-09-95	No. 106307	Supplemental Declaration of Restrictions and Protective Covenants for Still Waters
02-13-96	No. 108534	Declaration of Annexation to the Supplemental Declaration of Restrictions and Protective Covenants for Still Waters
09-23-98	No. 134872	The Tradition at Still Waters. Declaration of Covenants, Conditions and Restrictions
12-03-99	No. 147947	First Amendment to The Tradition at Still Waters Declaration of Covenants, Conditions and Restrictions (Sunset Point)
03-13-00	No. 149969	Second Amendment to The Tradition at Still Waters Declaration of Covenants, Conditions and Restrictions
09-05-03	No. 185622	Third Amendment to The Tradition at Still Waters Declaration of Covenants, Conditions and Restrictions
09-25-03	No. 186258	Re-Record Third Amendment to The Tradition at Still Waters Declaration of Covenants, Conditions and Restrictions
11-18-03	No. 188121	Fourth Amendment to The Tradition at Still Waters Declaration of Covenants, Conditions and Restrictions

EXHIBIT "H"

EASEMENTS

1. All easements recorded at Card Number 034713
2. Recorded Plat of Sunset Point Subdivision, Phase 2, Plat Bk 9/Pg 43
3. Recorded Plat of Sunset Point Subdivision, Phase 4, Plat Bk 10/Pg 45
4. Recorded Plat of Sunset Point Condominiums = I, Plat Bk 9/Pg 36
5. Recorded Plat of Sunset Point Condominiums III, Plat Bk 9/Pg 34
6. Declaration of Covenants and Restrictions recorded at Card Number 228450