

DECLARATION OF CONDOMINIUM
OF
EMERALD FOREST CONDOMINIUM ASSOCIATION, INC.

INDEX

I. DECLARATION:

<u>Section No.</u>	<u>Subject</u>	<u>Page No.</u>
1	Purpose	4
2	Name	4
3	Legal Description	4, 5
4	Address	7
5	Definitions	7, 8
6	Development Plan	8 - 11
7	Easements	11
8	Improvements-Principal Materials	12
9	Common Elements	12, 13
10	Limited Common Elements	13
11	Private Elements	13
12	Unit Boundaries	13, 14
13	Surfaces	14, 15
14	The Units	15
15	Percentage of Ownership	15, 16
16	Encroachments	16
17	Units Subject to Declaration, By-Laws	16, 17
18	Exclusive Ownership	17
19	Maintenance of Units	17 - 19
20	Maintenance of Common Elements	19
21	Assessments	19 - 22
22	Special Assessments	22, 23
23	Association	23
24	Insurance	23 - 28
25	Reconstruction-Repair	28 - 32
26	Use Restrictions	32 - 38
27	Notice of Lien or of Suit	38, 39
28	Compliance and Default	39, 40
29	Covenant Against Partition	40
30	Amendment to Declaration	40, 41
31	Provisions Pertaining to Developer	41 - 43
32	Amendment of By-Laws	43, 44
33	Voting	44

34	Termination	45
35	Condemnation	45, 46
36	Lender's Notices	46, 47
37	Severability	47
EXHIBIT "A"	As-built Condominium plat – Typical Drawings	50 - 55
EXHIBIT "B"	General Narrative Description of Property Including Future Areas to be Annexed	56 - 59
EXHIBIT "C"	By-Laws	

<u>Article No.</u>	<u>Subject</u>	<u>Page No.</u>
I	Name	61
II	Purpose	61
III	Members	61, 62
IV	Board of Directors	62 - 64
V	Officers	64, 65
VI	Fiscal Management	65 - 67
VII	Owner's Obligation	67, 68
VIII	House Rules	68
IX	Right of Entry	68
X	Mortgages	68, 69
XI	Parliamentary Rules	69
XII	Amendments	69

This instrument prepared by
JOHN WYLY HARRISON
Attorney at Law
106 South Side Square
Huntsville, Alabama 35801

DECLARATION OF CONDOMINIUM

OF

EMERALD FOREST CONDOMINIUM ASSOCIATION, INC.

THIS DECLARATION MADE this 7th day of April, 1986 by West Madison, Ltd., an Alabama Limited partnership, herein called "Developer", for itself, its successors, grantees and assigns.

WHEREAS, West Madison, Ltd. is the fee simple owner of and SouthTrust Bank of Huntsville is the first mortgagee and Ben H. and Josephine D. Keyserling are second mortgagees of those certain parcels of land situated in the County of Madison, State of Alabama, hereinafter more particularly described, and intends to improve said lands in the hereinafter described; and,

WHEREAS, Developer proposes to establish a condominium which shall be known as "Emerald Forest Condominium"; and,

WHEREAS Emerald Forest Condominium will consist of 150 units together with the access, parking and common facilities hereinafter described; and,

WHEREAS, the condominium will be created by the recording of this Declaration which may be amended according to the terms and provisions of Section 30 of this Declaration and the provision on amendment in the Bylaws.

NOW THEREFORE, the undersigned hereby makes the following declaration as to the division to which the said real estate and improvements thereon may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding upon Developer, its successors and assigns, and all subsequent of all or any part of said real estate and

improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1. PURPOSE. The purpose of this Declaration is to submit the real estate hereinafter described and the improvements to be constructed thereon to the condominium form of ownership and use in the manner provided by the "Condominium Ownership Act", Section 35-8-1, et seq., Code of Alabama, 1975, as amended.

2. NAME. The name by which this condominium is to be known and identified is Emerald Forest Condominium.

3. THE LAND. The lands owned by Developer which are herewith submitted to the condominium form of ownership are the following described lands situated, lying and being in the County of Madison, State of Alabama, to-wit:

LEGAL DESCRIPTION FOR TRACT I OF PHASE 1

EMERALD FOREST CONDOMINIUMS

A tract or parcel of land lying and being in the NE 1/4 of Section 5, Township 4 South, Range 2 West, City of Madison, Madison County Alabama, containing 1.84 acres, more or less, and being further described as follows:

Commencing at the NE corner of Section 5, Township 4 South, Range 2 West and running thence S 44° 02' 54" W, 42.94 feet; S 89° 09' 48" W, 836.00 feet; S 00° 15' 67" W, 272.00 feet; N 89° 09' 48" E, 110.00 feet; S 00° 15' 57" W, 300.00 feet; S 89° 09' 48" W, 110.00 feet; S 00° 15' 57" W, 195.27 feet to the point of beginning; thence running S 00° 15' 57" W, 304.74 feet to a point, thence running S 89° 09' 48" W, 5.00 feet to a point; thence running S 74° 30' 57" W, 248.00 feet to a point; thence running N 75° 36' 18" W, 28.83 feet to the PC of a curve to the right; thence running around a curve to the right an arc distance of 89.37 feet (said curve having a radius of 289.27 feet with a chord bearing and distance of N 23° 20' 01" E, 89.01 feet) to a point of reverse curve; thence running around a curve to the left an arc distance of 141.94 feet (said curve having a radius of 171.52 feet, with a chord bearing and distance of N 8° 28' 30" E, 137.93 feet) to a point; thence running N 15° 14' 03"

W, 152.24 feet to a point; thence running S 89° 44' 03" E, 257.76 feet to the point of beginning.

Said tract being subject to an Ingress-Egress Easement containing 0.23 acres, more or less, and being further described as follows:

Commencing at the NE corner of Section 5. Township 4 South, Range 2 West and running thence S 44° 02' 54" W, 42.94 feet; S 89° 09' 48" W, 836.00 feet; S 00° 15' 57" W, 272.00 feet; N 89° 09' 48" E, 110.00 feet; S 00° 15' 57" W, 300.00 feet; S 89° 09' 48" W, 110.00 feet; S 00° 15' 57" W, 195.27 feet; N 89° 44' 03" W, 229.74 feet to the point of beginning; thence running S 15° 14' 03" E, 144.76 feet to the PC of a curve to the left; thence running around a curve to the left an arc distance of 164.29 feet (said curve having a radius of 198.52 feet, with a chord bearing and distance of S 8° 28' 30" W, 159.64 feet) to a point of reverse curve; thence running around a curve to the right an arc distance of 80.98 feet (said curve having a radius of 262.27 feet, with a chord bearing and distance of S 23° 20' 17" W, 80.66 feet) to a point; thence running N 75° 36' 18" W, 27.00 feet to the PC of a curve to the right; thence running around a curve to the right an arc distance of 89.37 feet (said curve having a radius of 289.27 feet, with a chord bearing and distance of N 23° 20' 01" E, 89.01 feet) to a point of reverse curve; thence running around a curve to the left an arc distance of 141.94 feet (said curve having a radius of 171.52 feet, with a chord bearing and distance of N 8° 28' 30" E, 137.93 feet) to a point; thence running N 15° 14' 03" W, 152.24 feet to a point; thence running S 89° 44' 03" E, 28.02 feet to the point of beginning.

NORTH ALABAMA ENGINEERING CO., INC.

Project No. H85-010

7/11/85

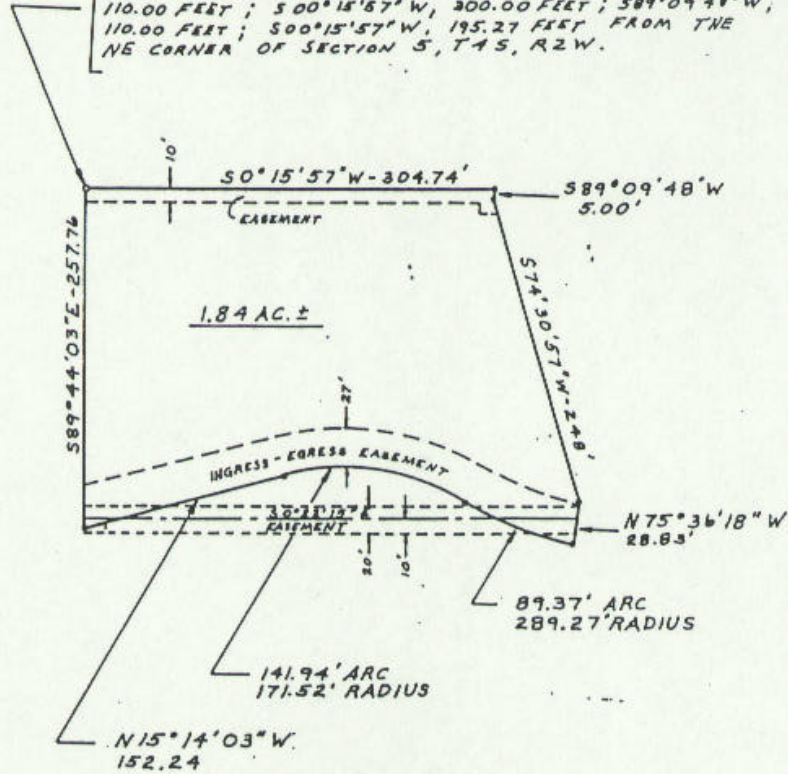
SCALE 1" = 100'
DRAWN BY DFP

TITLE TRACT 1 OF PHASE 1
EMERALD FOREST CONDOMINIUMS
(EAST TRACT)

NO. H85-010
DATE 7/11/85



THIS POINT IS $544^{\circ}02'54''$ W, 42.94 FEET ; $589^{\circ}09'48''$ W, 836.00 FEET ; $500^{\circ}15'57''$ W, 272.00 FEET ; $N89^{\circ}09'40''$ E, 110.00 FEET ; $500^{\circ}15'57''$ W, 300.00 FEET ; $589^{\circ}09'48''$ W, 110.00 FEET ; $500^{\circ}15'57''$ W, 195.27 FEET FROM THE NE CORNER OF SECTION 5, T4S, R2W.



As to the above described property, Developer reserves for itself, its successors, assigns, grantees and invitees, a non-exclusive right-of-way twenty (20) feet in width for use as ingress and egress. Said right-of way shall be used solely to service and provide access to the subject property and the development of future phases of this condominium under the development plan as set out in Section 6 below.

4. POST OFFICE ADDRESS. The post office address of said land is Angela Drive, Madison, Alabama 35758.

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

(a) “ASSOCIATION” means Emerald Forest Condominium Association, Inc., and its successors, and is the association of unit owners referred to in said Act.

(b) “COMMON ELEMENTS” means common areas and facilities as defined in said Act, including, but not limited to, all parts of the condominium property not included within the unit boundaries as described hereinafter, and shall include the parking spaces, and the tangible personal property required for the maintenance and operation of the condominium, as well as the items stated in the Condominium ownership Act of Alabama.

(c) “COMMON EXPENSES” includes those as defined in said Act, together with the expenses for which unit owners are liable to the Association, actual or estimated.

(d) “PRIVATE ELEMENTS” means private areas and facilities as defined in said Act, and intended for exclusive ownership or possession by a unit owner.

(e) "DECLARATION" means this Declaration and all amendments thereto hereafter made.

6. DEVELOPMENT PLAN.

A. Improvements will be constructed by the Developer substantially in accordance with the plan attached hereto as Exhibit "A" which identified common elements and private elements, incorporates a set of floor plans of each type of unit showing the layout of each, and the designating numbers of each unit, all of which are incorporated therein. Further improvements by amendment of additional phases shall conform to plans set out in Exhibit "B" attached. The buildings shall have no name, but each unit shall have a separate street number. In Phase 1, Tract 1, there are three (3) types of units: two bedroom "A" type, two bedroom "2A" type, and the two bedroom "B" type. The type of each unit and its corresponding street number may be determined by reference to Exhibit "A", which is hereto attached and by reference made a part hereof. The dimensions of each unit are found by determining the type of the unit by reference to the type drawings and floor plans which are incorporated in Exhibit "A".

B. AMENDMENTS FOR CORRECTIONS AND ADDED PHASES. This Declaration may be amended by filing such additional plans as may be required to accurately describe the improvements of the condominium and in order to show completion of improvements. No such amendment shall change the location of any unit after such unit has been deeded by the Developer without the prior written consent of the owner of the unit and the mortgagee thereof, if any. The plans and specifications of units may be altered or amended from time to time by Developer to meet marketing requirements as Developer, in its sole discretion, deems necessary as long as no such alteration or amendment shall substantially reduce the size or

quality of any unit. This provision applies both to minor correctional amendments of Tract 1, Phase 1, as well as amendments for the purpose of including additional phased development pursuant to the plans set out in Exhibit “B” attached.

C. ANNEXATION OF ADDITIONAL PROPERTY. Attached is Exhibit “B” entitled “General Narrative Description of Property To Be Annexed, Plat Plan, Building and Unit Design To Be Associated Therewith” which is attached hereto and incorporated by reference herein. It is anticipated that the completion of Emerald Forest Condominiums shall ultimately result in one hundred fifty (150) units with common areas including swimming pool and other common amenities. Future improvement shall be consistent with initial improvements in terms of quality of construction. The Developer has an unrestricted right to expand the condominium up to the one hundred fifty (150) units envisioned in Exhibit “B” subject only to the consent in writing of each of them that holds, insures or guarantees any mortgage (i.e. FHA, VA or FNMA) in such existing condominium at the time such new property is to be annexed and added. Such consent shall not be withheld if the property to be added substantially conforms to the plans in Exhibit “B”.

All improvements shall be substantially completed before the property is annexed to the existing condominium phases. The Developer shall protect all existing phases and existing condominium approved additions and unit owners during the construction of new additions by insuring that all taxes, liens, assessments and liability relating to new additions under construction shall not bring liability upon existing and completed phases of this condominium development.

The Developer shall have this right to initiate expansion of this condominium up to the one hundred fifty (150) units described in Exhibit "B" at any time until January 1 of 1993. The completion of such annexation shall be accomplished by obtaining the above referenced approvals and by filing in the Madison County, Alabama, Probate Records an amendment annexing such property subject to prior written approval of the Veteran's Administration or other necessary governmental entities.

The Developer shall have the unilateral right to transfer this right of expansion to any other person subject to the conditions and terms set out above, provided that such transferee shall be the developer of at least a portion of the real property described in Exhibit "B".

Upon the annexation of additional phases to this condominium, the unit owners ownership interests, liabilities and voting rights, shall continue to be governed by the provisions of this Declaration and By-Laws covering same. In other words, the number of voters shall simply increase according to the same rules and the liabilities and ownership interests in common elements shall simply increase with the pro rata share being determined by the same provisions that govern existing ownership interests.

The Developer reserves the right to decide not to construct all of the planned units by giving written notice of said election not to complete all of the planned units to all of the unit owners and first mortgage holders of all existing units on or before January 1, 1991. The common amenities planned shall be completed and are not subject to this reserved right. The Developer shall pay his proportionate share of community facility and common amenity maintenance until eighty units are built and sold, said number being sufficient to maintain on a continuing basis the common amenities and community facilities.

In the event the Developer chooses to limit the development to less than 150 units, then he shall no longer be obligated to pay a pro rata share of maintenance in excess of a 80 unit total since 80 units is more than adequate to fairly defray the maintenance expense of common facilities.

Upon the affirmative vote of a majority of the Association present or represented by proxy at a meeting duly called for such purpose, the Association may annex real property other than that described in Exhibit "B", upon proper notice to all legally required parties, with their legally required consent.

7. EASEMENTS. Easements are reserved throughout the condominium property as may be required for utility service in order to adequately serve the condominium; provided, however, such easements to a unit shall be only in accordance with the plans and specifications for the building or as the buildings are constructed unless approved in writing by the unit owner. Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other units and located in such unit. The Association shall have a right of access to each unit to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common elements contained therein or elsewhere in any building. Each unit owner has a right of ingress and egress to his unit.

8. IMPROVEMENTS AND PRINCIPAL MATERIALS OF WHICH CONSTRUCTED.

Improvements constructed or to be constructed upon the land hereinbefore described will include and will be limited to a total of 150 units. The buildings will be reinforced concrete slabs, or block foundation, and will be of wood frame throughout. Each unit will be equipped with range, oven, disposal, dishwasher, central heating and air conditioning. The condominium will also include access areas, parking areas and lawn areas.

9. COMMON ELEMENTS. The common elements of the condominium will include the common areas and facilities located substantially as shown upon the site plan which said plan is identified in Exhibit "A" (and Exhibit "B" for the annexation of additional phases) hereto attached and by reference made a part hereof. Such facilities will include the following improvements:

A. The land described in paragraph 3 hereof.

B. All central and appurtenant installations for services such as power, light, telephone, storm drains, sewer and water; heat and air conditioning, including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units, and all utility and mechanical equipment, buildings and spaces, which are not used or reserved for the exclusive use of certain units.

C. Automobile parking spaces.

D. All outdoor and exterior lights.

E. All foundations, columns, girders, beams, and support of buildings, and such component parts of walls, roofs, floors and ceilings as are not located within the units.

F. Lawn areas, landscaping, streets and walkways.

G. Pool and other amenities.

H. All other parts of the development existing for the common use or necessary to the existence, maintenance and safety of the development.

10. LIMITED COMMON ELEMENTS. There are no limited common elements.

11. PRIVATE ELEMENTS. The private elements of the condominium are those reserved and set aside to each unit for the exclusive possession, use and ownership by the owner of such unit. They consist of the following:

A. PATIOS. The concrete areas commonly known as “patios”, directly to the rear of, adjacent and contiguous to each unit, shall be a private element reserved to such unit.

B. DECK. The covered decks located directly above the patios described in subparagraph A above, and adjacent and contiguous to each unit, shall be a private element reserved to the unit to which it lies immediately adjacent.

12. UNIT BOUNDARIES. Each unit shall include that part of the structure containing the unit which lies within the boundaries of the unit, which boundaries shall be determined in the following manner:

(a) Horizontal Boundaries. The upper and lower boundaries of each unit shall be:

(i) Upper Boundary - The horizontal plane of the undecorated finished ceilings, extended to intersections with the perimetrical boundaries.

(ii) Lower Boundary - The horizontal plane of the undecorated finished floors, extended to intersections with the perimetrical boundaries.

(b) Perimetrical Boundaries. The perimetrical boundaries of the unit shall be the vertical planes of the undecorated finished interior of the walls bounding the unit extended to intersections with each other and with the upper and lower boundaries. When there is attached to the building a balcony, deck, porch, canopy, stairway or other portion of the building serving only the unit being bounded, the perimetrical boundaries shall be extended to include the intersection vertical planes adjacent to and which include all of such structures and fixtures therein.

13. SURFACES. An owner shall not be deemed to own the studs, wall board and structural components of the perimeter walls and/or load-bearing walls, nor the windows and doors bounding the unit. An owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain, paint, repaint, tile, wallpaper or otherwise finish and decorate the surfacing materials of the floors of his unit, and all window screens-and windows and door glass; and all appurtenant installations, including all pipes, ducts, wires, cables and conduits used in connection therewith, for services such as power, light, telephone, sewer, water, heat and air conditioning, whether located in the boundaries of the unit or in common areas, which are for the exclusive use of the unit; and all ceilings and partition (non

load bearing) walls. An owner shall have the exclusive right and duty to wash and keep clean the interior and exterior surfaces of windows and doors bounding his unit.

14. THE UNITS. The description and location of the particular units and the appurtenances thereto are determined with the aid of the site and floor plans therefor, as set out in paragraph 6.A. hereinbefore, and as follows:

(1) Units Numbered. Each unit is assigned a number which is indicated on the site plan hereto attached.

(2) Changes. The Developer reserves the right to change the interior design and arrangement of all units owned by it. The Developer further reserves the right to alter the boundaries between units which said change shall be reflected by an amendment of this Declaration which may be executed by the Developer alone, notwithstanding the proceedings for amendment described in paragraph 30 of this Declaration. However, no such change of boundaries shall increase the units nor alter the boundaries of the common elements without amendment of this Declaration in the manner described in paragraph 30 of this Declaration.

15. DETERMINATION OF PERCENTAGES OF OWNERSHIP IN COMMON ELEMENTS, COMMON EXPENSES AND COMMON PROFITS. The common profits shall be distributed among, and the common expenses shall be charged to the unit owners according to the percentages of the undivided interests of the respective units in the elements. For purposes of percentage interest in the common elements, common expenses and common profits, each unit owner's percentage shall be based on the ratio of the square footage of floor area of the family

unit(s) which he owns to the total square footage of floor space of all family units within the condominium.

16. ENCROACHMENTS. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter, a valid easement for the encroachment and for the maintenance of the same so long as such building stands shall exist. In the event any building, any unit, any adjoining unit, or any adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such building shall stand.

17. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS. All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the By-Laws, the Rules and Regulations, and the Regulatory Agreement as they may be amended from time to time. The acceptance of a deed or conveyance of the entering into of a lease or the entering into occupancy of any unit shall constitute the agreement that the provisions of this Declaration, By-Laws, the Rules and Regulations, and the Regulatory Agreement as they may be amended from time to time, are accepted and ratified by such owner, tenant and occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any such owner,

tenant and occupant as such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

18. EXCLUSIVE OWNERSHIP. Each owner shall be entitled to the exclusive ownership and possession of his unit. Any transfer of same shall not be subject to any right of first refusal.

19. MAINTENANCE OF UNITS. The responsibility for the maintenance of the condominium property shall be as follows:

1. UNITS.

(a) By the Association. The responsibility of the Association shall be as follows:

(i) To maintain, repair and replace all portions of a unit, except interior surfaces and surfacing materials, contributing to the support of the building, which portions shall include, but not be limited to, the outside walls of the building and all fixtures thereon; and boundary walls of units, floors, load-bearing columns and load-bearing walls.

(ii) To maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a unit maintained by the Association, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

(iii) To repair all incidental damage caused to a unit in the performance of any of the foregoing work.

(b) By the Unit Owner. The responsibility of the unit owner shall be as follows:

(i) To maintain, repair and replace all portions of his unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other unit owners.

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

(iii) To maintain and replace all exterior glass doors and windows of his unit.

(iv) To maintain, repair and replace all heating, air conditioning, utility and mechanical equipment, and all sewer and water lines; including all pipes, ducts, wires, cables and conduits used in connection therewith, which are for the exclusive use of his unit, whether or not located within the boundaries of his unit.

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

(c) Alteration and Improvement. Neither a unit owner nor the Association shall make any alterations in the portions of a unit or building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or to do any work which would jeopardize the safety or soundness of the building, or impair any

easement without first obtaining approval in writing of the owners of all other units in the building concerned and the approval of the Board of Directors of the Association.

20. MAINTENANCE OF COMMON ELEMENTS.

(a) By the Association. The maintenance and operation of the common elements shall be the responsibility and the expense of the Association.

(b) Alteration and Improvement. After the completion of the improvements include in the common elements which are contemplated by this Declaration, there shall be no alteration or further improvement of common elements without prior approval in writing of fifty-one percent (51%) of the votes of the unit owners, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens on the units so approved; provided, however, that the initial cost of and subsequent cost of maintenance of any alteration or improvement of the common elements bearing the approval in writing of unit owners entitled to cast fifty-one percent (51%) of the votes in the Association, and the approval in writing of all mortgagees who are the holders of mortgages comprising first liens on the units of such approving unit owners, shall be borne by all of the owners of family units in proportion to their percentage interest as set out in Paragraph 15 herein. There shall be no charge in the share and rights and obligations of a unit owner in the common elements which are altered or further improved.

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

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

B. Interest, Application of Payments. Assessments, and installments thereon, paid on or before ten (10) days after the date when due, shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the maximum legal contract rate from the date when due until paid. Further, a late charge, not to exceed that permitted by law, may be levied and collected upon all sums not paid on or before ten (10) days after the date when due. All payments upon account shall be first applied to interest and then to the assessment payment first due.

C. Liens for Assessments. The Association is hereby granted a lien upon each unit and its appurtenant undivided interest in common elements, which lien shall secure and does secure the monies due for all assessments now or hereafter levied or subject to being levied against the owner of each unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said unit and its appurtenant undivided interest in the elements. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only (1) a tax lien on the unit in favor of the State, the County, any municipality and any special district, and (2) all sums unpaid on a first mortgage of record, including any sum which the mortgagor is obligated to pay under the terms of the promissory note or mortgage, including, but not limited to, attorney's fees. In any suit for

the foreclosure of said lien, the Association shall be entitled to rental from the owner of any unit from the date on which the payment of any assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said unit, without notice to the owner of such unit. The rental required to be paid shall be determined by the Board of Directors of the Association. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the maximum legal contract rate on any such advances made for such purposes. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given to acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association.

D. Rental Pending Foreclosure. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit. Nothing contained in the paragraph 21 shall impair a first mortgagee's right to intercept rents as provided in its mortgage.

E. No Exemption from Assessments. No owner of a unit may exempt himself from liability for contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit, or by any other means.

In a voluntary conveyance of a family unit the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee

therefor. However, any such grantee shall be entitled to a statement from the manager or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association, and such grantee shall not be liable for, nor shall the family unit conveyed be subject to, a lien for any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

Where the mortgagee of a first mortgage of record or other purchaser of a family unit obtains title to the unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such family unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the family units including such acquirer, his successors and assigns.

F. The Association shall promptly provide any unit owner and/or the holder of a mortgage comprising a first lien on any unit so requesting the same in writing a written statement of all unpaid assessments due from the unit owner. Any such statement furnished in writing shall be binding upon the Association.

22. SPECIAL ASSESSMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only, provided that any such assessment shall have the assent of fifty-one percent (51%) of the votes of the unit owners who are voting in person or by proxy at a meeting duly called for this purpose. The said lien for non-payment of special assessments shall have priority over all other liens and encumbrances, recorded or unrecorded, except only (1) a tax lien on the unit in favor of the State, the County, any municipality and any special district, and (2) all sums unpaid on a first

mortgage of record, including any sum which the mortgagor is obligated to pay under the terms of the promissory note or mortgage, including, but not limited to, attorney's fees.

23. ASSOCIATION. The operation and administration of the condominium shall be by the Association of the unit owners, pursuant to the provisions of the Condominium Ownership Act of Alabama, which said Association shall be incorporated by Articles of Incorporation recorded in the Office of the Judge of Probate of Madison County, Alabama.

The Association shall make available to unit owners, lenders and the holders, insurers and guarantors of the first mortgage on any unit, current copies of the Declaration of Condominium, By-Laws and other rules and regulations governing the condominium, and other books, records and financial statements of the Association (to include a financial statement for the immediately preceding fiscal year). Current copies of the Declaration, By-Laws and other rules and regulations shall be available to prospective purchasers of units. "Available" shall mean available for inspection at a reasonable time, upon request upon an officer of the Association under reasonable circumstances.

24. INSURANCE. Insurance (other than title insurance) which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

A. Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association in the name of the Association as Trustee for each of the unit owners in the percentages of ownership set forth in the Declaration, and their mortgagees as their interest may appear, and provision shall be made for the issuance of certificates of

mortgage endorsements to the mortgagees of unit owners. Such policies shall be deposited with the Association.

B. Coverage. The Owner's Association shall maintain adequate property insurance, liability insurance, flood insurance, fidelity bond coverage and workman's compensation insurance as require by and under the terms of Appendix 24, Revised Legal Policy, Section 14, Insurance and Related Requirements of HUD Handbook #4265.1, and as further described in detail under the provisions of this section of this Declaration.

(1) Casualty. All buildings and improvements upon the land and all personal property comprising the condominium property shall be insured with a company with a Best's rating of A+AAA or better in an amount sufficient to avoid application of a co-insurance clause, but not more than the maximum insurable replacement value, without deduction for depreciation, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. For the purpose of the terms and provisions hereof relating to insurance, condominium property shall be deemed to include, but not necessarily be limited to, all kitchen cabinets, pantries, sinks, fixtures, bathroom lavatories, vanities and fixtures. Provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of unit owners. Such coverage shall afford protection against:

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

(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 land, including, but not limited to, vandalism and malicious mischief.

(2) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association.

(3) Workmen's Compensation policy, if needed to meet the requirements of the law.

(4) Fidelity bond insurance shall be required in an amount equal to at least 150% of the estimated annual operating expenses of the Condominium Association, including reserves, and shall be required to cover any person(s) or entities handling funds of the Association.

(5) Flood Insurance. If the condominium property should become located within a flood zone, then flood insurance shall be obtained by the Association.

(6) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

C. Provisions. Every such policy of insurance shall in substance and effect:

(1) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any unit owner.

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

(3) Provide that such policy may not be cancelled (whether or not requested by the Association) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Association, the fee owner, mortgagee and every other person in interest who shall have requested such notice of the insurer.

(4) Contain a waiver by the insurer of any right of subrogation to any right of the Association, or either against the owner or lessee of any unit.

(5) Contain a standard mortgagee clause which shall:

(i) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any unit, whether or not named therein;

(ii) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Association or unit owners or any persons under any of them;

(iii) Waive any provision invalidating such mortgage clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(iv) Provide that such policy cannot be cancelled or the coverage reduced unless prior written notice is furnished all mortgagees at least thirty (30) days prior to such cancellation or reduction.

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

E. Insurance Trustee: Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association, as Trustee for each of the unit owners in the percentages established by the Declaration, which said Association, for the purpose of these provisions, is hereby referred to as the Insurance Trustee. Any mortgagee of an affected unit may appoint a co-trustee, whose authority shall be co-equal with that of the Association. Such co-trustee, if any, shall be appointed, and shall be compensated by the appointing mortgagee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees as follows:

(1) Common Areas and Facilities. Proceeds on account of damage to common areas and facilities, an undivided share for each unit owner, such share being the same as his undivided share in the common areas and facilities appurtenant to his unit.

(2) Units. Proceeds on account of units shall be held for the owners of damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Trustee or Trustees.

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

F. Distribution of Proceeds. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

G. Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

25. RECONSTRUCTION OR REPAIR AFTER CASUALTY. In the event of the damage or destruction of all or part of the property, then, unless it is determined by a vote of one hundred percent (100%) of the Association not to repair or reconstruct such damaged or destroyed property, the following provisions shall apply:

A. Reconstruction or Repair. If any part of the condominium property shall be damaged by casualty, it shall be reconstructed or repaired. In no event shall any mortgagee be obligated to advance any sums or pay any costs above insurance proceeds to repair or rebuild

damaged or destroyed property, nor shall any mortgagee have any liability in connection with such reconstruction or repair.

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

(2) Building.

(i) Partial Destruction. If the damaged improvement is part of a building, the damaged property shall be reconstructed or repaired.

(ii) Total Destruction. If a building is so damaged that the same is untenable, the building shall be reconstructed.

(3) Plans and Specifications. Any such reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to plans approved by the Board of Directors of the Association and the mortgagees of any affected units, which approval shall not be unreasonably withheld.

B. Responsibility. If the damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of a unit owner, then the unit owner shall be responsible for the reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

C. Estimates of Costs. Immediately after a casualty causing damage to property for which the Association has responsibility of maintenance and repair, the Association shall

obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

D. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the unit owners who own the damaged property, and against all unit owners In the case of damage of common areas and facilities, in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for reconstruction and/or repair of damages to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments for reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the owner's share in the common areas and facilities.

E. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessment against unit owners, shall be disbursed in payment of such costs in the following manner:

(1) Association. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Association from collection of assessments against the

unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) Unit Owner. The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner shall be paid by the Insurance Trustee to the unit owner, or if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly. However, no funds shall be paid to a unit owner until bills incurred for the repair or reconstruction of such unit have been fully paid.

(ii) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which are the responsibility of the Association is less than the total of the annual assessments for recurring expenses to be made during the year in which the casualty occurs, then the construction funds shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction funds, such funds shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(iii) Association - Major Damage. If the amount of estimated costs of reconstruction and repair which are the responsibility of the Association is more than the total of the annual assessments for recurring expenses to be made during the year in which the casualty occurs, then the construction funds shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association.

(iv) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided. In the event any unit owner entitled to receive any such funds is delinquent in the payment of any assessment to the Association or to the mortgagee of such unit, such funds shall be paid first to the Association and such mortgagees.

26. USE RESTRICTIONS. The use of the property of the condominium shall be in accordance with the following provisions:

A. Single Family Residences. The condominium property shall be used only for single family residences, and for the furnishing of services and facilities herein provided for the enjoyment of such residences. Each of the units shall be occupied only by a single family and its guests as a residence and for no other purposes.

B. Nuisances. No nuisances shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and property use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

C. Parking. The parking spaces and facilities shall be used exclusively for parking of automobiles. No trailers, tractors, campers, wagons, trucks (that exceed three-quarter ton) or other commercial type motor vehicles shall be parked therein except vehicles while

loading and unloading at any designated loading area. No repair work on motor vehicles shall be carried out in the parking spaces except emergency repair. Automobiles or other allowed motor vehicles shall not be washed in the parking spaces or upon the grounds of the condominium property.

D. Noises. No unit owner shall make or permit any disturbing noises in the common areas and facilities or his unit by either the unit owner, his family, servants, employees, agents, visitors, guests, invitees, licensees, tenants or lessees, or do or permit to be done by such persons anything that will interfere with the rights, comfort or convenience of the other unit owners or occupants. No unit owner shall play any musical instrument, phonograph, radio, television or sound amplifier in such a manner or volume so as to disturb or annoy any other unit owner or occupant.

E. Pets. Pets shall be kept or maintained in or about the condominium units only if the unit owner is granted a conditional license to maintain one (1) pet by the Association. Such a license will be granted subject to the following conditions and reservations:

(1) Acceptable Pets. The only pets to be permitted on the condominium property shall be dogs under thirty (30) pounds when fully grown, cats, small birds and fish.

(2) It shall be the responsibility of the unit owner to pay for any and all costs involved in restoring to the original new condition any damage caused to the condominium property by the unit owner's maintenance of a pet.

(3) A unit owner shall be financially responsible for any personal injury or personal property damage caused to any other unit owner, tenant, guest, employee of the Association, or to any member of the public as a result of the unit owner's maintenance of a pet.

(4) Pets must be carried in arms or on a leash when taken in and out of the building.

(5) Pets shall not be permitted in the public rooms under any circumstances. Pets must not be curbed near the buildings, walkways, shrubbery, pool area, gardens, planting areas, open areas or other public space, and pets must be walked off the condominium property.

(6) Guests, tenants and visitors of a unit owner shall not be permitted to bring any pets onto the condominium property.

(7) The Board of Directors may, upon its sole determination, revoke or terminate the above conditional license if a pet is either vicious or is annoying other unit owners or occupants, or is otherwise a nuisance.

F. Advertisements. No ads, signs, posters or advertisement of any kind shall be posted on the walls, windows or doors in the interior or exterior of the common areas and facilities. Under no circumstances will signs offering the units for rent or sale be posted on the interior or exterior of the units or upon the common areas and facilities except in form and in such location as provided by the Association. The provisions of this subsection shall not be applicable to the mortgagee of any first mortgagee which comes into possession of any unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure.

G. Business Activities. No business of any type or office relating to a business shall be permitted to exist on the condominium property.

H. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which required maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

I. Leasing. Entire units may be leased, for a period of six (6) months or longer, and not less, provided the occupancy is only by the lessee and his family. The respective “family units” shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the “family unit” are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Copies of all leases shall be deposited with the Association by the unit owner. Other than the foregoing obligations, the owners of the respective “family units” shall have the absolute right to lease same provided that said lease is made subject to the covenants and restrictions contained in this Declaration and further subject to the By-Laws and Regulatory Agreement attached hereto. No individual rooms may be rented. All leases must be in written form.

J. Occupancy of units by guests of owners or lessees and use of common areas and facilities by such guests shall be governed by the Rules and Regulations as adopted or amended from time to time by the Developer and the Board of Directors.

K. Air Conditioning Units. No unit owner shall install or cause to be installed window units or wall air conditioning units. Only condenser units tied into an approved system and approved in writing by the Board of Directors of the Association may be placed on the balconies, decks or patios.

L. Hazard. Nothing shall be done or maintained in any unit or upon any common area or facility which will increase the rate of insurance on any unit or on the common area or facility, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any unit which would be in violation of any law. Barbecuing is absolutely prohibited upon any common area or facility, balconies, decks, patios or in any units, provided, however, that barbecuing is permitted in the area designated for same on Exhibit "A" attached hereto.

M. Commercial Activities. No unit or common area or facility shall be used for commercial activities of any character. This subsection shall not apply to the use of the common areas or facilities and units owned by the Developer for display, marketing, promotional or sales purposes or as a "model" unit.

N. Recreational Vehicle Parking. No boats or trailers shall be placed, parked or left on the grounds of the condominium property.

O. Exterior Walls, Decks and Balconies. No unit owner shall paint, modify, attach to or improve the exterior walls, decks or balconies of this unit without prior written consent of the Board of Directors of the Association.

P. Awnings. No blinds, shades, glass, jalousies, ironwork, screens, awnings, panels or coverings shall be affixed or attached to the outside of the units or the exterior windows, doors, decks, balconies, patios or interior doors leading into the corridors without the prior written consent of the Board of Directors of the Association.

Q. Right of Access to Units. The Board of Directors or its designated agent may retain a passkey to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessibility therefrom, or making emergency repairs therein necessary to prevent damage to the common elements or any other unit. No unit owner shall alter any lock or install new locks on any door of the unit without prior written consent of the Board of Directors.

R. Use of Elements. Each unit owner, tenant or occupant of a unit may use the elements held in common in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other unit owners, tenants or occupants.

S. Regulations. Reasonable rules and regulations concerning the use of the condominium property may be made by the Developer and amended from time to time by the Board of Directors of the Association; provided, however, that all such amendments thereto shall be approved by not less than a majority of the votes of the Association before such shall become effective. Members not present at meetings considering such regulations or amendments thereto may express their approval or disapproval in writing. Copies of such regulations or amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request.

T. Proviso. Provided, however, with respect to Phase 1, that until Developer of the condominium has completed and sold all of the units of Phase I of the condominium, or until Developer elects to terminate its control of Phase I of the condominium, whichever shall first occur; and provided, further, in the event of the incremental increase of the project by the filing of a certificate or certificates by the Developer of its election to incorporate subsequent phases into the condominium, as elsewhere herein provided, then with respect to Phase I and subsequent phases and sale of all of the units thereof, or until Developer elects to terminate its control of the condominium, whichever shall first occur, neither the unit owners nor the Association, nor the use of the condominium property by unit occupants, shall interfere with the completion of the contemplated improvements and the sale of the units. Developer may make such use of the unsold units and of the areas and facilities as may facilitate such completion and sale, including, but not limited to, the showing of the property and the display of signs.

U. Violations. Violation of any of the preceding use restrictions by a unit owner, tenant or occupant shall be sufficient to bring judicial action against the violator to enforce compliance or recover money damages. There shall be no forfeiture. Action can be filed by the Board of Directors on behalf of the unit owners, and the Board shall be entitled to recover any reasonable court costs and attorney's fees from the violator, which sum shall be charged to the same extent, force and effect as if the charge were a part of the common expense.

27. NOTICE OF LIEN OR OF SUIT.

A. Notice of Lien. A unit owner shall give notice to the Association of every lien upon his unit other than for permitted mortgages, taxes and special assessments, within five (5) days after the owner's receipt of notice thereof.

B. Notice of Suit. A unit owner shall give notice to the Association of every suit or other proceeding which may affect the title to his unit, such notice to be given within twenty-four (24) hours after the unit owner receives knowledge thereof.

C. Failure to Comply with this subsection concerning liens will not affect the validity of any judicial sale.

28. COMPLIANCE AND DEFAULT. Each unit owner shall be governed by and shall comply with the terms of the condominium documents and regulations as they may be amended from time to time. A default shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Ownership Act:

A. Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances.

B. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the Court.

C. No Waiver of Rights. The failure of the Association or any unit owner to enforce any covenant, restrictions or other provisions of the Condominium Ownership Act, this

Declaration, the By-Laws or the Rules and Regulations, shall not constitute a waiver of the right to do so thereafter.

D. Remedies of Unit Owner. The Association shall be governed by and shall comply with the terms of the condominium documents and regulations as they may be amended from time to time. Each unit owner may exercise any and all remedies available under the laws of the State of Alabama and under the condominium documents and regulations to enforce such compliance.

29. COVENANT AGAINST PARTITION. There shall be no judicial or other partition of the project or any part thereof, nor shall Developer or any person acquiring any interest in the project or any part thereof seek any such partition unless the property has been removed from the provisions of the Condominium Ownership Act, as in said Act provided.

30. AMENDMENT. This Declaration of Condominium may be amended as set out in Section 6 of this Declaration under “Development Plan” or in the following manner:

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

B. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by ten percent (10%) of the members of the Association. After the recording of the Declaration, it may only be amended by an instrument executed by not less than sixty-seven Percent (67%) of the unit owners. Provided that, any such amendment shall have been approved in writing by all mortgagees who are the holders of mortgages comprising first liens on units comprising sixty-seven percent (67%) of the votes of

the Association. These provisions do not apply to Section 6 of this Declaration which governs amendments simply annexing new phases pursuant to the Development Plan already set out in this Declaration.

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

D. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners, including first mortgagees, of units in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded In the Office of the Judge of Probate of Madison County, Alabama.

E. Proviso. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units, nor change any condominium unit nor increase the owner's liability for common expenses unless the record owner thereof and all record owners of liens thereon shall join in the execution of the amendment.

31. PROVISIONS PERTAINING TO THE DEVELOPER.

A. Notwithstanding any other provisions herein contained, for so long as the Developer continues to own any of the units, the Developer reserves the unrestricted right to sell, assign or lease any unit which it continues to own after the recording or filing of this Declaration, and to post signs on the condominium property. Developer may not lease or rent any unit for a period of less than thirty (30) days.

B. Developer shall relinquish all special rights, expressed or implied, through which the Developer may directly or indirectly control, direct, modify or veto any action of the Association, its Board of Directors or a majority of unit owners, and control of the Association shall pass to the owners of units within the project not later than the earlier of the following:

(1) One hundred twenty (120) days after date by which seventy-five percent (75%) of the units have been conveyed to unit purchasers; or

(2) Five (5) years from the date on which the Declaration was recorded.

C. Contracts. The Owners Association, prior to passage of control, is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than 90 days' notice to the other party.

D. Until such time as the relinquishment of rights and control by the Developer takes place in accordance with paragraph (b) above, the following additional provisions shall be deemed to be in full force and effect:

(1) The Developer reserves the right to amend the By-Laws of the Association, subject to the prior written approval of the Veterans Administration; and

(2) The Directors of the Association shall be elected as provided in the By-Laws, and such Directors as may be so designated need not be unit owners.

(3) Notwithstanding any other provisions herein contained, Developer may not amend the Declaration without prior written approval of the Veterans Administration.

E. The Developer shall furnish a warranty to each initial purchaser of a unit warranting that such unit has been constructed in a good and workmanlike manner. Any repairs resulting from defective materials or workmanship shall be at Developer's expense if the unit owner furnishes written notice of such-defects within one (1) year from the date of possession or closing of sale, whichever occurs first.

32. AMENDMENT OF BY-LAWS. The By-Laws of Emerald Forest Condominium Association, Inc., a copy of which is attached hereto as Exhibit "C" and incorporated herein by reference, may be amended in the following manner:

A. The By-Laws may be in accordance with the provisions of the Code of Alabama, Section 10-3-1, et. Seq. and U.S. Department of Housing and Urban Development, Handbook #4265.1 (§234C - Appendix #24, "Revised Legal Procedures #10, Amendment to Documents").

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

C. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by ten percent (10%) of the members of the Association, and after being so proposed and thereafter approved by one (1) of such bodies, it must then be approved by the other to become effective. Directors and members not present at the meeting considering the amendment may express their approval or disapproval in writing,

providing such approval is delivered to the Secretary at or prior to such meeting. Such approvals must be by not less than a majority of the Directors and by not less than a majority of the votes of the Association; and provided further, that any such amendment shall have been approved in writing by all mortgagees who are the holders of mortgages comprising first liens on units comprising a majority of the votes of the Association.

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

E. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners, including first mortgagees, of units in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Judge of Probate of Madison County, Alabama.

F. Proviso. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units, nor change any condominium unit nor increase the owner's liability for common expenses unless the record owner thereof and all record owners of liens thereon shall join in the execution of the amendment.

33. VOTING. For the purpose of voting on all matters requiring action by the owners, each unit owner shall have one vote for each family unit which he owns. Where a single, or multiple, units are owned by more than one person or entity, the joint owners shall collectively cast one vote for each unit owned.

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

35. CONDEMNATION. In the event of condemnation of all or a portion of the condominium property, the disposition of proceeds of the award shall be governed by the following provisions:

A. Entire Property. In the event of condemnation of the entire condominium, property, the Association shall be entitled to receive the proceeds of the award which shall be distributed by the Association to the unit owners and their mortgagees, as their interests may appear, in proportion to their percentage interests.

B. Partial Taking. In the event of condemnation of a portion of the condominium property, the Association shall be entitled to receive the proceeds of the award which shall be distributed in accordance with the findings of a panel of three (3) arbitrators to be selected by the Board which shall proceed in accordance with the then existing rules of the American Arbitration-Association to determine the portion of the award due to be distributed to each of the several unit owners and their mortgagees, as their interests may appear, by virtue of the unit owner's interest in the units or portions thereof taken and the portion of the award allocable to the common elements taken by condemnation. The portion of the award allocable to the common elements shall be retained by the Association which shall treat the same as insurance proceeds and proceed under Section 10 hereof to reconstruct and restore the affected portion of the condominium property to a complete architectural unit if the Board determines that such is feasible. The panel of arbitrators shall also determine the percentage of undivided interest of the

remaining unit owners in the common elements following the condemnation and each unit owner shall be deemed to have consented to the amendment of this Declaration in accordance with such findings and the continuation of the condominium regime with respect to the condominium property remaining following condemnation. If it is determined not to be feasible to restore the condominium property to a complete architectural unit, the portion of the award allocable to the common elements shall be distributed to the unit owners and their mortgagees, as their interests may appear, in proportion to their percentage interests. The expense of the arbitration shall be paid by the Association, and shall constitute a common expense.

C. Priority. No unit owner or other party shall have a priority over any first mortgagee in connection with the distribution of any condemnation proceeds. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

36. LENDER'S NOTICES. Without written request, the Owner's Association shall provide notice to lenders and obtain approval as required under U.S. Department of Housing and Urban Development, Handbook #4265.1 (§234C – Appendix #24, “Revised Legal Procedures #9, First Lienholder's Rights (b)).

Upon written request to the Association, identifying the name and address of the holder, insured or guarantor and the unit estate, number and address, any such eligible mortgage holder, or any eligible insured or guarantor, will be entitled to timely written notice of:

A. Any condemnation loss or casualty loss which affects the material portion of the project, or any unit estate on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder, or eligible insurer or guarantor, as applicable;

B. Any delinquency in the payment of assessments or charges owed by an owner of a unit estate subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owner's Association; and

D. Any proposed action which would require the consent of a specified percentage of mortgage holders.

37. SEVERABILITY. The invalidity in whole or in part of any covenant, or restrictions, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the By-Laws of the Association shall not affect the validity of the remaining portions thereof.

_____(signed)_____
BEN H. KEYSERLING

_____(signed)_____
JOSEPHINE D. KEYSERLING

STATE OF ALABAMA
COUNTY OF MADISON

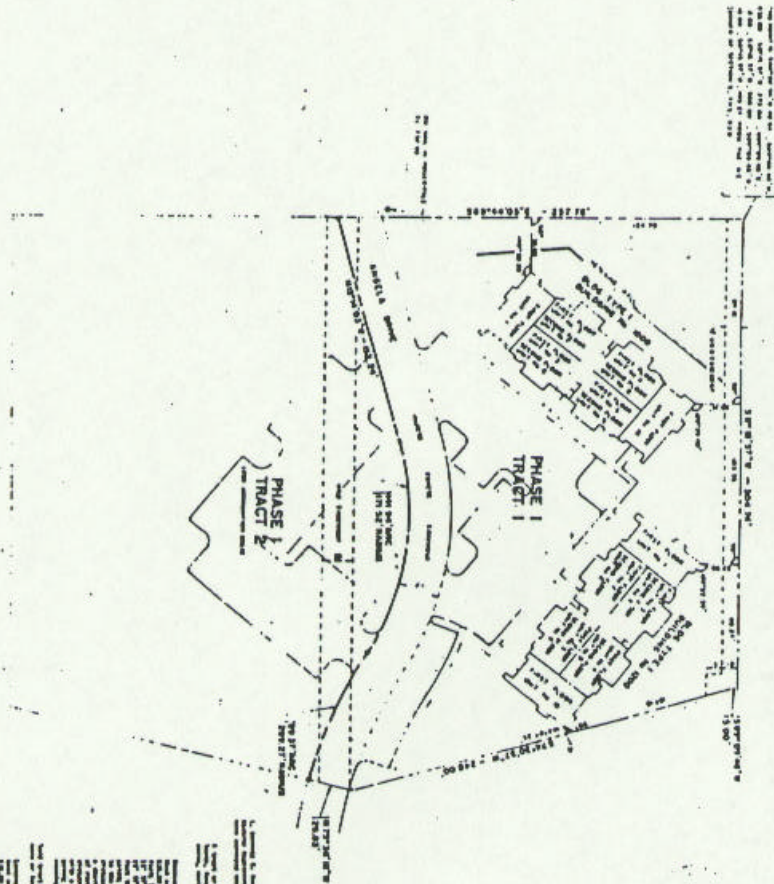
I, the undersigned, a Notary Public, in and for said County and State, hereby certify that Ben H. Keyserling and wife, Josephine D. Keyserling, whose names are signed to the foregoing instrument and who are known to me acknowledged before me on this day that being informed of the Instrument, they executed the same voluntarily on the day the same bears date.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 15th day of April, 1986.

3-7-88
My commission Expires

_____(signed)_____
NOTARY PUBLIC

This instrument prepared by
JOHN WYLY HARRISON
Attorney at Law
106 South Side Square
Huntsville, Alabama 35801



1. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

2. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

3. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

4. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

5. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

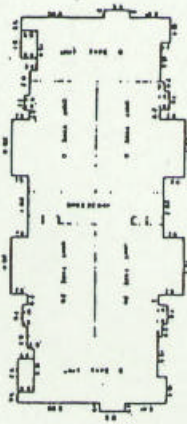
1. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

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5. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.



TYPE LAYOUT - BLDG. TYPE 1

1. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

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4. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

5. The area shown on this plat is the same as that shown on the plat of the same name and date on file in the office of the County Clerk of this county.

MOORE ALABAMA ENGINEERING CO., INC.
PLAT NO. 1
DATE: 11/1/1994
BY: [Signature]

TRACT 1, PHASE I
EMERALD FOREST CONDOMINIUMS

135 Angela Drive

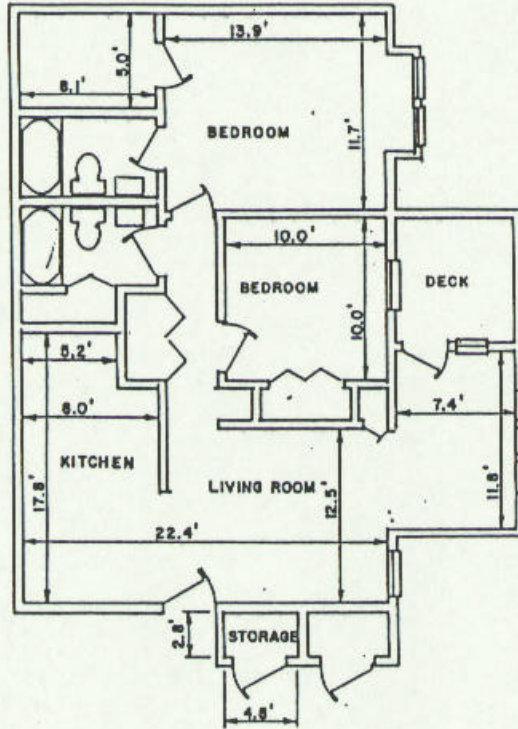
Madison, Alabama 35758

Building 1000

Unit #1001	Type B Floor Plan
Unit #1002	Type A Floor Plan
Unit #1003	Type A Floor Plan
Unit #1004	Type 2A Floor Plan
Unit #1005	Type 2A Floor Plan
Unit #1006	Type A Floor Plan
Unit #1007	Type A Floor Plan
Unit #1008	Type 2A Floor Plan
Unit #1009	Type 2A Floor Plan
Unit #1010	Type B Floor Plan

Building 1200

Unit 1201	Type B Floor Plan
Unit 1201	Type A Floor Plan
Unit 1201	Type A Floor Plan
Unit 1201	Type 2A Floor Plan
Unit 1201	Type 2A Floor Plan
Unit 1201	Type A Floor Plan
Unit 1201	Type A Floor Plan
Unit 1201	Type 2A Floor Plan
Unit 1201	Type 2A Floor Plan
Unit 1201	Type B Floor Plan



TYPICAL A UNIT - 2 BEDROOM

BUILDING NO. _____

CONDOMINIUM NO. _____

Area in Two Bedroom Unit (Inside Dimensions):

Living Area	873.79± sq.ft.
Storage Area	13.44± sq.ft.

First Floor Unit Elevations

Unit Lower Horizontal Boundary _____

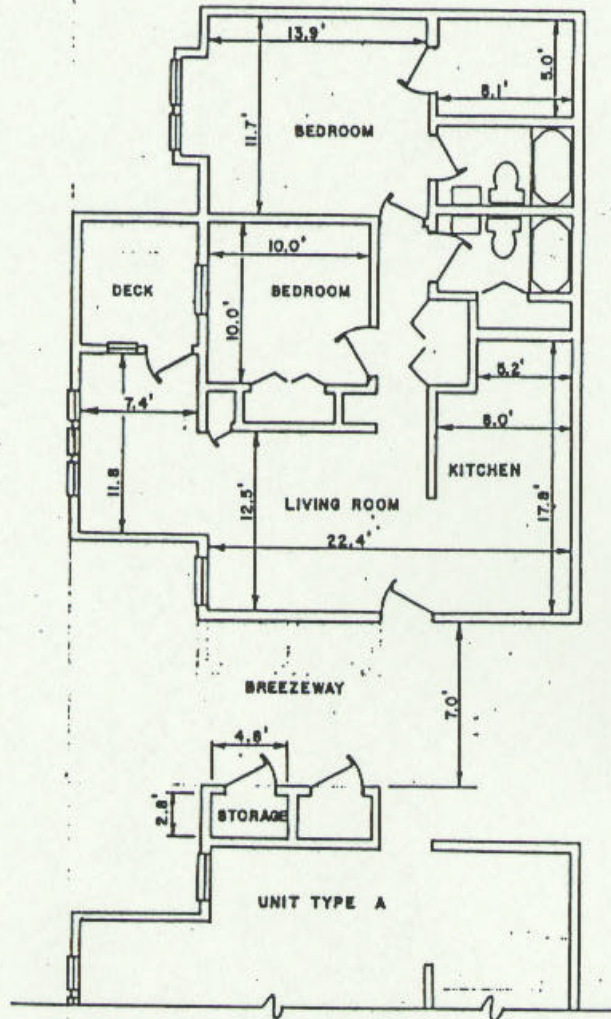
Unit Upper Horizontal Boundary _____

Second Floor Unit Elevations

Unit Lower Horizontal Boundary _____

Unit Upper Horizontal Boundary _____

NOTE: All Dimensions as field measured after construction.



TYPICAL 2A UNIT - 2 BEDROOM

BUILDING NO. _____

CONDOMINIUM NO. _____

Area in Two Bedroom Unit (Inside Dimensions):

Living Area 873.79± sq.ft.

Storage Area 13.44± sq.ft.

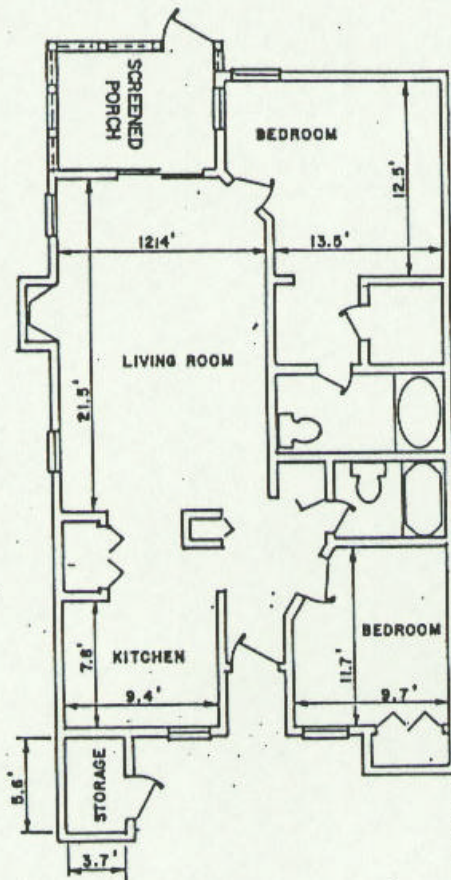
First Floor Elevations

(Unit Lower Horizontal Boundary) _____
 (Unit Upper Horizontal Boundary) _____

Second Floor Elevations

(Unit Lower Horizontal Boundary) _____
 (Unit Upper Horizontal Boundary) _____

North Alabama Engineering Co.
 101 8th Ave., N.E. - P. O. Box 1055
 DECATUR, ALABAMA 35601



TYPICAL B UNIT - 2 BEDROOM

BUILDING NO. _____
CONDOMINIUM NO. _____

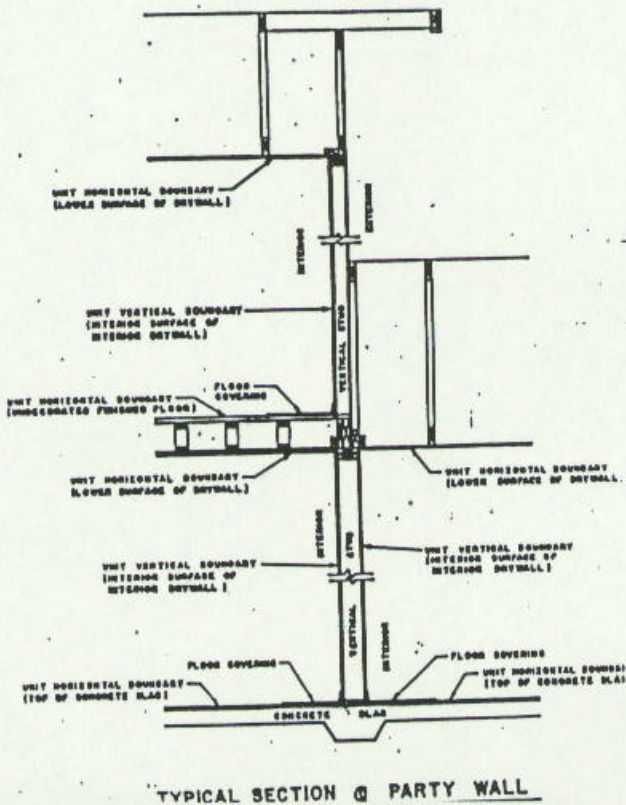
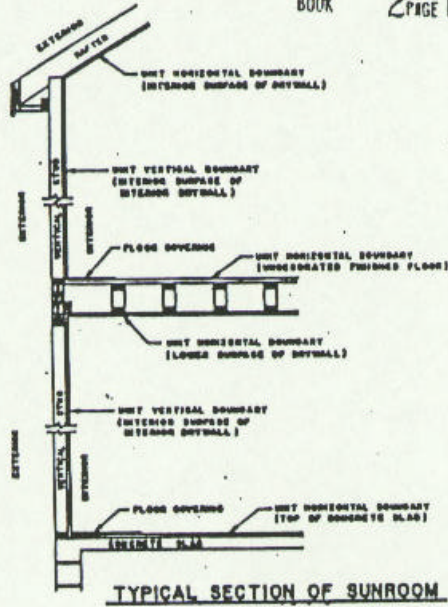
Area in Two Bedroom Unit (Inside Dimensions):

Living Area 856.07± sq.ft.
Storage Area 20.72± sq.ft.

First Floor Unit Elevations

Unit Lower Horizontal Boundary _____
Unit Upper Horizontal Boundary _____

NOTE: All Dimensions as field measured after construction.



North Alabama Engineering Co.
501 8th Ave., N.E., P. O. Box 1055
DECATUR, ALABAMA 35601

GENERAL NARRATIVE DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION FOR EMERALD FOREST CONDOMINIUMS

A tract or parcel of land lying and being in the NE ¼ of Section 5, Township 4 South, Range 2 West, City of Madison, Madison County, Alabama, more particularly described as follows:

Commencing at the NE corner of Section 5, Township 4 South, Range 2 West and thence running S 44° 02' 54" W 42.94 feet, S 89° 09' 48" W 836.00 feet, S 00° 15' 57" W 272.00 feet, N 89° 09' 48" E 110.00 feet, S 00° 15' 57" W 300.00 feet, S 89° 09' 48" W 110.00 feet and S 00° 15' 57" W 195.27 feet to the point of beginning of the herein described tract; Thence S 00° 15' 57" W 304.74 feet to a point; thence S 89° 09' 48" W 5.00 feet to a point; thence S 00° 15' 57" W 975.28 feet to a point thence N 89° 44' 03" W 445.38 feet to a point; thence N 00° 13' 37" W 1280.16 feet to a point; thence S 89° 44' 03" E 461.60 feet to the point of beginning, and containing 13.29 acres of land, more or less.

NORTH ALABAMA ENGINEERING CO., INC.

Project No. H85-010
5/27/85.

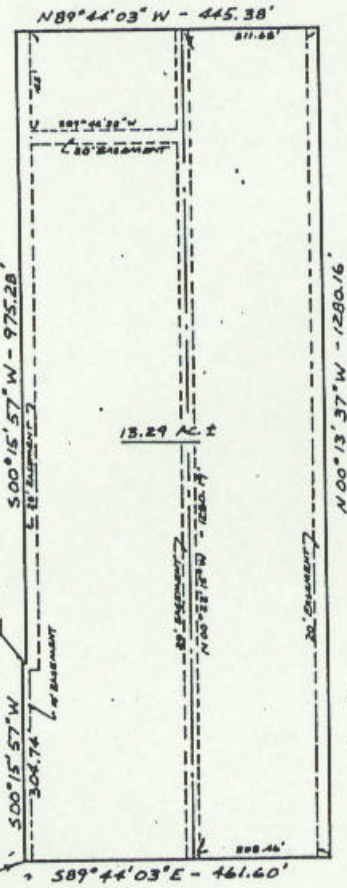
SCALE 1"=200'
DRAWN BY JRG

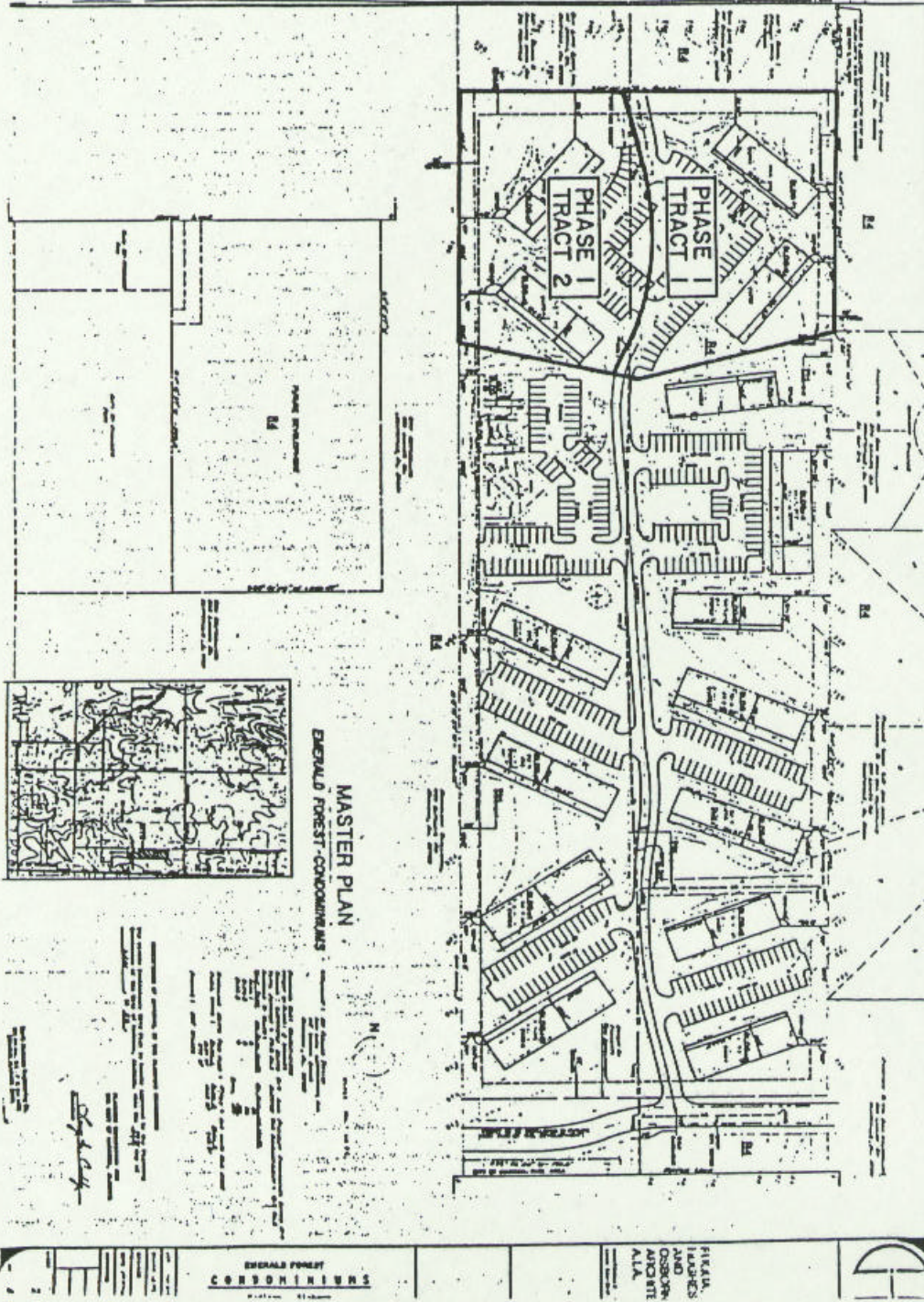
TITLE EMERALD FOREST CONDOMINIUMS

NO. NBS-010
DATE 5/24/85

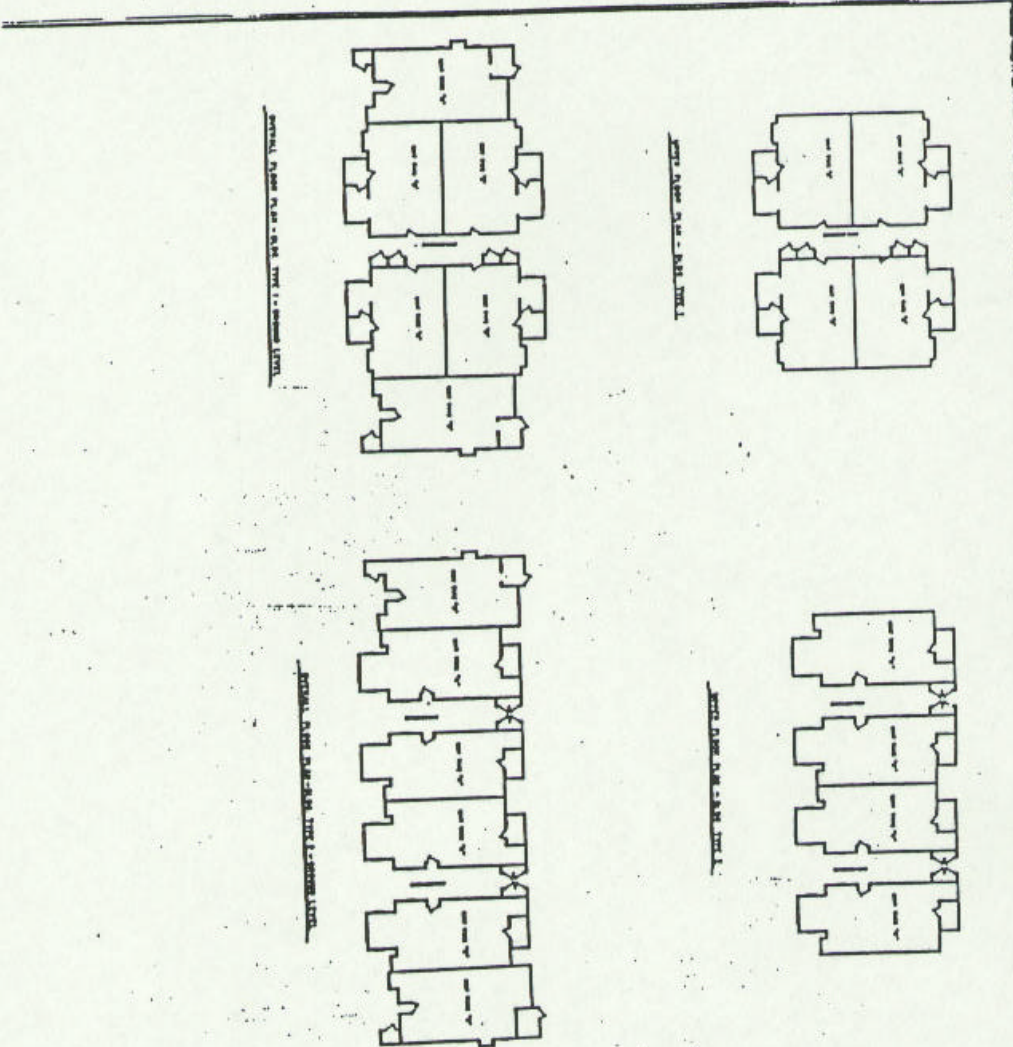


THIS POINT IS $S44^{\circ}02'54''$ W 42.94 FEET,
 $S89^{\circ}09'48''$ W 836.00 FEET, $S00^{\circ}15'57''$ W 272.00 FEET,
 $N89^{\circ}09'48''$ E 110.00 FEET, $S00^{\circ}15'57''$ W 300.00 FEET,
 $S89^{\circ}09'48''$ W 110.00 FEET, AND $S00^{\circ}15'57''$ W
 195.27 FEET FROM THE NE CORNER OF SECTION 5,
T-4S, R-2W.





BOOK 2 PAGE 660



NO.	DATE	DESCRIPTION
1	1/1/19	...
2	2/1/19	...
3	3/1/19	...
4	4/1/19	...
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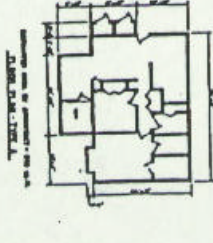
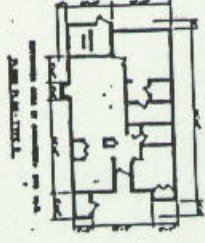
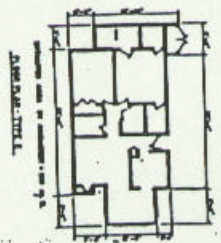


Exhibit "C"

By-Laws

BY-LAWS
OF
EMERALD FOREST CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation shall be Emerald Forest Condominium Association, Inc.

ARTICLE II

PURPOSE

The Association has been formed for the purpose of performing the powers and duties of the Association as set forth in these By-Laws, the Articles of Incorporation of the Association, and that certain Declaration of Condominium for Emerald Forest Condominium, as recorded, or to be recorded, in the Office of the Judge of Probate of Madison County, Alabama.

ARTICLE III

MEMBERS

SECTION I. MEMBERS. The members of Emerald Forest Condominium Association, Inc. shall be the owners of units (as defined in the Declaration, as amended) in Emerald Forest Condominium. Each member shall be entitled to one vote. If a unit is owned by more than one person, all such persons shall collectively be entitled to one vote. In the event joint owners of a unit are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question.

SECTION 2. ADMISSION OF MEMBERS. Purchasers of units in Emerald Forest Condominium shall automatically become members of the Association and shall remain members thereof so long as they own such unit. The Association membership of each owner shall be appurtenant to the condominium unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said condominium and then only to the transferee of title to said condominium unit. Any transfer of title to a condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof. Any first mortgagee who obtains title to a unit by foreclosure or deed in lieu of foreclosure shall be deemed to be the transferee of title for purposes of this section.

SECTION 3. MEETINGS OF MEMBERS

A. The annual meeting of members of the Association shall be held on the second Saturday in December unless notice to the contrary is furnished by the Directors at least ten (10) days prior to the meeting. The meeting shall be held at a place to be designated by the Directors, who shall give written notice thereof to each member at least twenty-four (24) hours prior to the scheduled meeting time. Said meeting place to be in Madison County, Alabama. At the annual meeting the members shall elect the Board of Directors for the ensuing fiscal year (January 1 – December 31) and conduct such other business as may properly come before such meeting.

B. Special meetings of the members may be held upon call of the Directors or upon petition to the Secretary of the Association signed by persons owning not less than thirty (30) of the units in the Condominium. The Secretary shall give not less than ten (10) days written notice of the date, time, place and purpose of such called meeting.

C. Quorum. At any annual or called meeting of the Members, a majority of the votes entitled to be cast must be represented at such meeting, in person or by proxy, to constitute a quorum. Any meeting may be continued until a later date and time to permit obtaining a sufficient number to conduct the Association's business, provided that notice of such continuance is furnished all members.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than seven (7) as shall, from time to time, be determined and fixed by vote of a majority of the voting rights present at any annual meeting of the members.

SECTION 2. Election of Directors shall be conducted in the following manner:

- (a) Directors shall be elected at the annual meeting of the members of the Association.
- (b) Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meeting of members shall be filled by the remaining Directors.
- (c) Any Director may be removed by concurrence of two-thirds (2/3) of the votes entitled to be cast by the members of the Association at a special meeting of the members called for that purpose. No Director may be removed, however, unless he shall be given not less than five days prior written notice of such special meeting and an opportunity to be heard. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided for the election of the removed Director.

SECTION 3. The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successors is duly elected and qualified or until he is removed in the manner elsewhere provided.

SECTION 4. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.

SECTION 5. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

SECTION 6. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

SECTION 7. Waiver of Notice. Any Director may waive notice of a meeting before or at the meeting, and such waiver shall be deemed equivalent to be giving of notice.

SECTION 8. A quorum at Director's meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except where approval by a greater number of Directors is required by the Declaration of Condominium, Articles of Incorporation or by these By-Laws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

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

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

SECTION 11. All of the powers and duties of the Association existing under the Condominium Ownership Act, Declaration of Condominium, Articles of Incorporation and these By-laws, shall be exercised exclusively by the Board of Directors subject only to approval by unit owners when such is specifically required. The Board of Directors may delegate any such powers and duties as deemed appropriate to committees, or a manager or employees.

SECTION 12. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

(a) Care, upkeep and surveillance of the condominium and its common area and facilities.

(b) Collection of monthly assessments from the owners.

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium and its common elements and facilities.

SECTION 13. The Board of Directors may employ for the Association a management agent or manager, to provide services as the Board shall authorize including, but not limited to, the duties listed in Section 12 above. The duties conferred upon the managing agent or manager by the Board of Directors may be revoked, modified or amplified by the majority of owners in a duly constituted meeting. The Board of Directors may employ any other employee or agents to perform such duties and at such salaries as the Board of Directors may establish.

SECTION 14. The Board of Directors may establish standing and/or special committees and may delegate to such committees such powers, duties and responsibilities as the Directors may from time to time deem appropriate. Members of such committees shall be appointed by the President of the Association and such appointments must be confirmed by a majority of the Directors at any regular or special meeting.

ARTICLE V

OFFICERS

SECTION 1. The executive officers of the Association shall be a President, a Vice-President a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. No officer may be removed, however, unless he shall be given not less than five days prior written notice of such meeting and an opportunity to be heard. Any person may hold two (2) or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

SECTION 3. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the

President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

SECTION 4. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, in a bound book with consecutively numbered pages. Such books shall contain minutes of all meetings of the members and Directors, signed and attested by the Chairman and Secretary of such meeting respectively. Such book shall be maintained at the office of the Association. The Secretary also shall perform all other duties incident to the office of the Secretary of an Association as may be required by the Directors or the President.

SECTION 5. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidence of indebtedness. He shall keep the financial records and books of account of the Association in accordance with good accounting practices; shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and other expenses incurred; and he shall perform all other duties incident to the office of Treasurer, including filing tax returns. The records, books of account and the vouchers authorizing payments, shall be available for examination by a member of the Association at convenient hours of week days.

ARTICLE VI

FISCAL MANAGEMENT

SECTION 1. BUDGET. The Board of Directors shall adopt a budget for each calendar year which shall include estimated common expenses, including a reasonable allowance for contingencies and reserves less the unneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member on or before November 15 preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned.

SECTION 2. ASSESSMENTS. Assessments for recurring common expenses shall be made by the Board of Directors for the calendar year annually in advance, on or before December 20 preceding the year for which the assessments are made. The Board shall include a Maintenance Fund Reserve for contingencies in such assessments, and such assessment may from time to time be increased or reduced at the discretion of the Board. The proportionate interest of each unit owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. In case the condominium regime hereby created shall be terminated and the property removed from the Condominium Ownership Act, any part of the said Fund remaining after full payment of all common expenses of the non profit tax status Association shall be distributed to all condominium owners in their respective proportionate shares. Such

assessments shall be due in monthly installments on the first day of each month of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred ten percent (110%) of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended by the Board of Directors for the remaining portion of the calendar year and shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Association.

SECTION 3. WORKING CAPITAL. Each unit shall pay to the Association for working capital at the time of closing of the sale of the unit an amount equal to at least two (2) months assessment.

SECTION 4. DEFAULT.

(a) In the event an owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required monies in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior notice of intention to foreclose shall be mailed, postage prepaid to the unit owner and to all persons having a mortgage lien or other interest of record in such unit as shown in the Association's record of ownership. The Association shall be entitled to the appointment of a Receiver, if it so requests. The Association shall have the right to bid-in the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In any such foreclosure action the lien of the Association shall be subordinate and inferior to any mortgage liens of record encumbering such unit at the time of the commencement of the foreclosure action by the Association. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgement for any sums, charges or assessments required to be paid to the Association without waiving its lien securing same. In any action either to foreclose its lien or to recover a money judgement, brought by or on behalf of the Association against a unit owner, the losing party shall pay the cost thereof together with a reasonable attorney's fee.

(b) If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing item of expense shall be returned to the former owner of the unit in question.

SECTION 5. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which monies of the Association shall be

deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

SECTION 6. An audit of the accounts of the Association shall be made annually by a certified public accountant, not a member of the Association, and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made.

SECTION 7. Fidelity bonds shall be required by the Board of Directors from the Treasurer of the Association and from any manager handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be in an amount equal to at least 150% of estimated annual operating expenses. The premiums on such bonds shall be paid by the Association.

ARTICLE VII

OWNER'S OBLIGATION

SECTION 1. Assessments. Every owner of any unit in the condominium shall contribute pro rata towards the expenses of administration of the condominium, as provided in the Declaration and in these By-Laws. Except however, the Developer, West Madison, Ltd., and Alabama limited partnership shall not be obligated to contribute for any unit owned by it until construction of such unit has been completed for six (6) months.

SECTION 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the condominium in its entirety or in a part belonging to other owners, and is expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal or appurtenant installations of the unit such as water, light, power, air conditioning, heat, sewage, telephones, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit shall be maintained at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his fault, or the fault of his tenants or guests.

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

SECTION 4. Title. Every unit owner shall promptly cause to be duly recorded in the office of the Judge of Probate of Madison County, Alabama, the deed or other conveyance to him of his unit or other evidence of his title thereto and file such evidence of his title with the

Association, and the Secretary shall maintain such information in the record of ownership of the Association.

SECTION 5. Notice. Every unit owner shall promptly notify the Association in writing of his mailing address, if different from the mailing address of the unit owned by him. In the event such notice is not furnished, any notice required to be delivered to a unit owner pursuant to the Declaration of Condominium or these By-Laws, shall be deemed sufficient if mailed to the address of such unit.

ARTICLE VIII

HOUSE RULES

In order to assure the peaceful and orderly use and enjoyment of the building and common elements of said condominium, the Board of Directors may from time to time adopt such reasonable rules and regulations to be called House Rules, governing the conduct of persons on the condominium property as a majority of the Directors may deem necessary. Such House Rules upon adoption and every amendment thereto shall be maintained in a book by the Secretary at the Association's office and a copy thereof shall be delivered promptly to each owner and shall be binding upon all members of the Association and occupants of the property. The Board of Directors shall enforce the House Rules by injunctive proceedings if necessary.

ARTICLE IX

RIGHT OF ENTRY

The manager and any person authorized by the Board of Directors shall have the right to enter each unit in case of any emergency originating in or threatening such unit whether or not the owner or occupant is present at the time. Every unit owner and occupant, when so required, shall permit other unit owners or their representatives to enter his unit at reasonable times of the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services provided that requests for entry are made in advance.

The owners Association has the right to grant permits, licenses, and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

ARTICLE X

MORTGAGES

Any mortgagee or mortgage holder, of a unit may file a copy of its mortgage with the Association, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage, the Association shall be required to notify the mortgagee, or mortgage holder, of any unit owner who is in default in the expenses for the

administration of the condominium or assessments and the mortgagee, or mortgage holder, at its option may pay the delinquent expenses.

ARTICLE XI

PARLIAMENTARY RULES

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

ARTICLE XII

AMMENDMENTS

These By-Laws may be amended by following the provisions of Section 32 of the Declaration of Condominium.

The foregoing were adopted as the By-Laws of Emerald Forest Condominium Association, Inc., at the first meeting of the Board of Directors on April 23, 1985.

By: _____(signed)_____
CHERYL HART SMITH
Secretary

APPROVED:

BY: _____(signed)_____
RICHARD A. TRACEY
President

STATE OF ALABAMA MADISON COUNTY PROBATE OFFICE

I hereby certify that the foregoing instrument was filed for record in this office on 4-29-86 at 3:16 o'clock PM and duly recorded Deed Tax _____ Mortgage Tax _____
FRANK H. RIDDICK, Judge of Probate.