

STATE OF ALABAMA,

BALDWIN COUNTY

I certify that this instrument was filed on

STATE OF ALABAMA §
BALDWIN COUNTY §

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DECLARATION OF CONDOMINIUM
OF
WIND DRIFT AT PERDIDO KEY
A CONDOMINIUM, GULF SHORES, ALABAMA

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THIS DECLARATION, made this 29th day of May, 1984, by
Perdido-Wind Drift Joint Venture (a Partnership) (hereinafter sometimes called
"Developer" and "Grantor") for itself, its successors and assigns;

W I T N E S S E T H :

WHEREAS, Grantor is constructing private condominium units on Alabama Highway
182, Gulf Shores, Alabama, on lands more particularly described in Exhibit "A"
attached hereto and made a part hereof; and

WHEREAS, Grantor owns certain additional lands adjacent to the land described
in Exhibit "A" lying between the Gulf of Mexico and the Old River and separated by
Alabama Highway 182; and

WHEREAS, said additional lands may be used by Developer for future condominium
development, said additional lands being more particularly described in Exhibit
"A-1" attached hereto and made a part hereof; and

WHEREAS, Grantor is constructing the Condominium in several phases, Phase I
being constructed on lands facing the Gulf of Mexico and described in Exhibit "A"
and being composed of a seven story tower containing forty-two (42) private condo-
minium units and being known as Wind Drift at Perdido Key, a Condominium, Gulf-Phase
I; and

WHEREAS, Grantor is constructing an additional phase of the condominium on the
Gulf to be known as Gulf - Phase II, and may construct one (1) or more phases of
condominium units on the Old River upon all or part of lands described in Exhibit
"A-1" and upon such construction may dedicate the lands composing said future phases
to the condominium, in which event the common areas will be jointly owned and main-
tained by the Condominium Association; and

WHEREAS, Grantor proposes to establish by this Declaration a plan for the indi-
vidual ownership of the area or space contained in the private condominium units and
the co-ownership by the owners of each unit of the common elements and facilities
hereinafter referred as to "common elements".

NOW, THEREFORE, Perdido-Wind Drift Joint Venture (a partnership), hereby makes
the following Declaration as to division and uses to which said real property
described in Exhibit "A", and improvements thereon may be put, thereby specifying
that said Declaration shall constitute covenants to run with the land and shall be
binding upon Grantors, their successors and assigns, and upon all subsequent owners
of all or any part of said real property and improvements, together with their
grantees, successors, heirs, executors, administrators, devisees or assigns:

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ARTICLE ONE

Purpose. The purpose of this Declaration of Condominium is to submit the real property herein described and the improvements thereon constructed or to be constructed thereon to the condominium form of ownership and use in the manner provided for by the "Condominium Ownership Act", Title 35, Chapter 8, Code of Alabama 1975.

ARTICLE TWO

Name. The name by which this condominium is to be known is Wind Drift at Perdido Key, a Condominium.

ARTICLE THREE

Definitions. The terms used in this Declaration of Condominium and in the Bylaws of the Wind Drift Owners' Association, Inc. shall have the meanings stated in the Alabama Condominium Ownership Act, and as follows:

- A. "Unit" means the private elements of the condominium property, together with an undivided interest in the common area assigned thereto as set out in Article Seven of this Declaration.
- B. "Unit Owner" means the owner of a unit as defined in said Act.
- C. "Association" means the Wind Drift Owners' Association, Inc., a non-profit corporation, and its successors.
- D. "Common Elements" shall have the same meaning as common elements in the Condominium Ownership Act.
- E. "Private Elements" shall have the same meaning as private elements in the said Condominium Ownership Act.
- F. "Wind Drift at Perdido Key, a Condominium, Gulf-Phase I" means the condominium to be constructed on the lands fronting the Gulf of Mexico described in Exhibit "A" and is hereafter referred to as "Gulf-Phase I."
- G. "Wind Drift at Perdido Key, a Condominium, Gulf-Phase II" means the condominium to be constructed on the lands fronting the Gulf of Mexico described in Exhibit "A-1" and is hereafter referred to as "Gulf-Phase II."
- H. "Wind Drift at Perdido Key, a Condominium, Old River-Phase I, Old River-Phase II and Old River-Phase III" mean the condominium which may be constructed on lands fronting the Old River described in Exhibit "A-1" and hereafter referred to as "Old River-Phase I", "Old River-Phase II" or "Old River-Phase III."

ARTICLE FOUR

Phased Development Plan. Gulf-Phase I and future phases, if any, the impact if any which the completion of future phases would have upon Gulf-Phase I, and the time period within which each phase must be completed are provided for and described in detail in this Article Four.

A. Gulf-Phase I. The real property owned by Grantor, which is hereby submitted to the condominium form of ownership for Wind Drift at Perdido Key, a Condominium, Gulf-Phase I is more particularly described in Exhibit "A" attached hereto and made a part hereof. Gulf-Phase I includes a seven-story tower containing forty-two (42) units, parking areas, beachfront and pool area which said beachfront and pool area will also be used for Gulf-Phase II should same be completed and dedicated to the Condominium by amendment.

B. Future Phases. The real property owned by Grantor, which may be submitted to the condominium form of ownership by Amendments for future phases is more particularly described in Exhibit "A-1" attached hereto and made a part hereof.

At the time of dedication of future phases by amendment the common area contained in each future phase will be merged with the common areas in Gulf-Phase I and at that point, the owner of each unit shall be entitled to equal ownership in the common areas.

C. Amendments to include Future Phases. Future phases to Wind Drift at Perdido Key, a Condominium, will be added to and made subject to this Declaration by the execution, by the Developer alone, and joined in by the construction mortgagee or other mortgagee of record, of an Amendment or Amendments to this Declaration, which said Amendments shall be recorded in the Probate Office of Baldwin County, Alabama. Such Amendments shall have attached to it Exhibits similar to those attached to this Declaration, describing the property so submitted to Condominium ownership and containing such other information concerning said property and the improvements constructed, or to be constructed, thereon as is required by law. The right of the Developer to file said Amendment including subsequent phases shall cease and terminate as of December 31, 1999. If, for any reason, no future phase is complete and the units dedicated to condominium ownership by Amendment, then the owner of the units of Gulf-Phase I are entitled to 100% ownership of all common areas which have been built and added to the Condominium as part of Gulf-Phase I.

D. Any person or entity who shall acquire any unit in Gulf-Phase I, or any interest in or lien upon any such unit regardless of whether said unit shall be located in Gulf-Phase I or future phases, agrees to be bound by the terms and provisions of this paragraph and any amendment to this Declaration executed by the Developer alone and joined in by construction mortgagee or other mortgagee, pursuant to this Article Four shall be binding and effective as written notwithstanding the fact that the undivided interest of the unit owners in the common areas will be changed thereby.

ARTICLE FIVE

Wind Drift at Perdido Key Development Plan. The private elements and the common elements of Wind Drift at Perdido Key, a Condominium, are being improved and developed as follows:

A. Gulf-Phase I Development Plan. Developer is constructing on lands fronting the Gulf of Mexico and being more particularly described in Exhibit "A", a seven-story, forty-two (42) unit tower, with a swimming pool, whirlpool, parking area, beach, and other amenities as described hereafter.

B. Future Phased Developments. Developer owns property adjacent to Wind Drift at Perdido Key, Gulf-Phase I to the easterly side thereof, upon which Developer has

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prepared plans for construction of a tower similar to the tower on Gulf-Phase I. Developer also owns additional lands between Alabama Highway 182 and the Old River, which are suitable for construction of three (3) six-story towers upon which general plans have been designed, tennis courts, swimming pool, river, docking area, and other amenities. The lands upon which the subsequent phases of the condominium, if any, will be constructed are that as shown on Exhibit "A-1" attached hereto and made a part hereof. DEVELOPER DOES NOT BY THIS DECLARATION, AGREE TO CONSTRUCT ANY ADDITIONAL PHASES OF WIND DRIFT AT PERDIDO KEY, A CONDOMINIUM AND PURCHASERS OF UNITS IN WIND DRIFT AT PERDIDO KEY, A CONDOMINIUM, GULF-PHASE I SHOULD PURCHASE WITH THAT KNOWLEDGE. DEVELOPER DOES AGREE, HOWEVER, IF IT ELECTS TO CONSTRUCT ADDITIONAL PHASES OF WIND DRIFT AT PERDIDO KEY, A CONDOMINIUM, AND TO DEDICATE SAME TO THE CONDOMINIUM BY AMENDMENT, THAT IT WILL DO SO IN ACCORDANCE WITH A COMMON PLAN SO THAT THE OWNERS OF EACH UNIT IN EACH CONDOMINIUM PHASE WILL HAVE THE SAME PERCENTAGE OF OWNERSHIP IN ALL THE CONDOMINIUM COMMON AREAS THEN DEDICATED, HAVE EQUAL VOTE IN MATTERS RELATING TO THE CONDOMINIUM ASSOCIATION AND SHARE EQUALLY IN THE COMMON EXPENSES AND COMMON SURPLUS OF THE ASSOCIATION.

C. The General Development Plan. The general development plan for the construction of Wind Drift at Perdido Key, a Condominium, Gulf-Phase I, and subsequent phases, if any, is as follows:

1. Wind Drift at Perdido Key, a Condominium will be developed according to plans and specifications prepared by Watson & Nichols Architects P.A., 641 South Lawrence Street, Montgomery, Alabama, 36104, which said plans are on file in the Developer's office at 557 South Lawrence Street, Montgomery, Alabama, 36104. The development is composed of two seven-story towers, each tower contain forty-two (42) units and three (3) separate towers, two (2) containing thirty-six (36) units and one (1) containing twenty four (24) units. The first tower is located on the western part of the southern portion of the property and is referred to as Gulf-Phase I. The second tower is located on the eastern part of the southern portion of the property and is referred to as Gulf-Phase II. The third tower is located on the northeastern part of the northern portion of the property and is referred to as Old River-Phase I. The fourth tower is located on the northwestern part of the northern portion of the property and is referred to as Old River-Phase II. The fifth tower is located on the southwestern part of the northern portion of the property and is referred to as Old River Phase III. All phases combined contain 180 private condominium units contained in two seven-story concrete buildings and three six-story concrete buildings on concrete pilings and foundation. Each tower contains stairwell, elevator(s) and common balcony giving entrances to each unit. The ground floor of each tower contains equipment rooms and service areas. The ground floor is covered on the north and south elevations by lattice panels but is designed to allow winds and water to pass through in the event of a hurricane or other extreme weather conditions. The bottom of the slab of the first floor is more than fifteen (15) feet above mean high tide as required by building codes.

a. Private Areas Gulf-Phase I (Elements). The first through seventh floors of Gulf-Phase I and Gulf-Phase II contain four two-bedroom units, each of which has approximately 1,158 square feet of floor space exclusive of balconies, and two three-bedroom units each of which has approximately 1,376 square feet of floor space exclusive of balconies. All units contain kitchen with built-in range with hood, dishwasher, garbage disposal and refrigerator. A laundry closet containing washing machine and dryer opens into the foyer in each unit. Each unit has sliding glass doors opening onto the balcony. The bedroom, living room and dining room floors are covered with carpet, the kitchen and foyer floors are covered with vinyl,

the bathroom floor is covered with ceramic tile. The balcony floor is concrete. All interior walls are sheetrocked.

b. Private Unit Element Boundary. Each private condominium unit (element) includes that part of the building in which such unit is located, as shown on the architects certification drawings. Each private unit (element) is bounded as follows:

(1) Upper and Lower Boundaries. The upper and lower boundaries of each unit shall be the following boundaries extended to an intersection with the perimetrical boundaries.

(a) The upper boundary shall be the horizontal plane of the lower surfaces of the concrete ceiling slab, exclusive of paint.

(b) The lower boundary shall be the horizontal plane of the upper surfaces of the concrete floor slab, exclusive of carpet, tile or other floor covering.

(2) Perimetrical or vertical boundaries. The perimetrical or vertical boundaries of each unit shall be the interior planes of the interior walls bounding the unit (exclusive of sheet work and wall covering), the outer planes of unit access doors, the outer planes of unit windows, and the interior planes of exterior walls bounding the unit (exclusive of sheet work and wall covering), except where broken as indicated by windows or doors. Where there is attached to the building a balcony or other portion of the building serving only the unit being bounded, the unit's boundary shall extend to include all of such balcony or structure and fixtures thereon.

(3) Fixtures. Each unit includes its own air conditioning, heating and water heating apparatus servicing said unit including the wires or pipes connected thereto until such point that such wire or pipes service more than one unit; whether or not said fixtures or pipes are within the unit boundaries as described immediately above. Where fixtures serving one individual unit are installed partially within and partially without the plane or boundaries of the unit as defined above, the entire fixture shall be deemed to be fully within the unit it serves and wholly subject to the exclusive control of the owner of the unit so served.

c. Common Areas Gulf Phase I (Elements). The common areas (elements) of Gulf-Phase I consist of all lands and structures outside of the private elements, and include in addition to the structure, amenities for the use of all units owners including stairwells, elevator(s), a Gulfside pool and deck area, concrete parking lot with concrete bumpers, equipment rooms, built-up roof, fire emergency equipment, planted area and landscaping, fences, access porches, beach recreation area and driveways, all located substantially as shown on the architect's certification drawing to be filed herewith.

The common elements of Wind Drift at Perdido Key include by way of example and not by way of limitation, the following:

(1) The land on which the buildings and the other improvements are located.

(2) All foundations, pilings, slabs, columns, girders, beams and supports.

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

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

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

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

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

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

d. Purchase of Resident Manager's Unit. Should Old River-Phase I be dedicated for condominium use, the Association will purchase from the Developer a unit in Old River-Phase I to be used by the resident manager of Gulf-Phase I, Gulf-Phase II, Old River-Phase I and subsequent Old River phases. The purchase price of said unit will be not more than ninety percent (90%) of the purchase price for similar units at the time of closing. The Association may execute a mortgage to finance the purchase of the resident manager's unit, in which event, mortgage payments along with taxes, insurance, sewer service fee, utilities and maintenance of the unit, shall be included within the budget of the Association applicable for the time in which Gulf-Phase I, Gulf-Phase II and Old River-Phase I have been completed and dedicated.

2. Identification of Units. The developer plans to build One Hundred Eighty (180) individual condominium units to be located in five towers, being forty-two (42) units in Gulf-Phase I, forty-two (42) units in Gulf-Phase II, thirty-six (36) units in Old River-Phase I, thirty-six (36) in Old River-Phase II and twenty-four (24) in Old River-Phase III. Each unit is numbered so that the first

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three digits contain the floor number and unit location on such floor and the last digit is a letter designating the location of the particular building in relation to its location on the property as a whole (north or south). THE ONLY UNITS WHICH HAVE BEEN DEDICATED AND ARE ASSURED OF CONSTRUCTION ARE THOSE IN GULF-PHASE I. THE DESCRIPTION AND NUMBERS OF THE OTHER PHASES, IF ANY, WILL BE AS CONTAINED IN THE AMENDMENTS TO THE DECLARATION TO BE FILED AS HEREINABOVE PROVIDED.

a. The identification numbers of the 42 units in Gulf-Phase I are as follows:

(1) First Floor: The six units on the first floor are designated from east to west as 107S, 108S, 109S, 110S, 111S and 112S.

(2) Second Floor: The six units on the second floor are designated from east to west as 207S, 208S, 209S, 210S, 211S and 212S.

(3) Third Floor: The six units on the third floor are designated from east to west as 307S, 308S, 309S, 310S, 311S and 312S.

(4) Fourth Floor: The six units on the fourth floor are designated from east to west as 407S, 408S, 409S, 410S, 411S and 412S.

(5) Fifth Floor: The six units on the fifth floor are designated from east to west as 507S, 508S, 509S, 510S, 511S and 512S.

(6) Sixth Floor: The six units on the sixth floor are designated from east to west as 607S, 608S, 609S, 610S, 611S and 612S.

(7) Seventh Floor: The six units on the seventh floor are designated from east to west as 707S, 708S, 709S, 710S, 711S and 712S.

b. The identification numbers of the 42 units in Gulf-Phase II, should same be constructed and dedicated by Developer, will be as follows:

(1) First Floor: The six units on the first floor are designated from east to west as 101S, 102S, 103S, 104S, 105S and 106S.

(2) Second Floor: The six units on the second floor are designated from east to west as 201S, 202S, 203S, 204S, 205S and 206S.

(3) Third Floor: The six units on the third floor are designated from east to west as 301S, 302S, 303S, 304S, 305S and 306S.

(4) Fourth Floor: The six units on the fourth floor are designated from east to west as 401S, 402S, 403S, 404S, 405S and 406S.

(5) Fifth Floor: The six units on the fifth floor are designated from east to west as 501S, 502S, 503S, 504S, 505S and 506S.

(6) Sixth Floor: The six units on the sixth floor are designated from east to west as 601S, 602S, 603S, 604S, 605S and 606S.

(7) Seventh Floor: The six units on the seventh floor are designated from east to west as 701S, 702S, 703S, 704S, 705S and 706S.

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c. The identification numbers of the 36 units in Old River-Phase I, should same be constructed and dedicated by Developer, will be as follows:

(1) First Floor: The six units on the first floor are designated from west to east as 111N, 112N, 113N and 114N, 115N and 116N.

(2) Second Floor: The six units on the second floor are designated from west to east as 211N, 212N, 213N and 214N, 215N and 216N.

(3) Third Floor: The six units on the third floor are designated from west to east as 311N, 312N, 313N and 314N, 315N and 316N.

(4) Fourth Floor: The six units on the fourth floor are designated from west to east as 411N, 412N, 413N, 414N, 415N and 416N.

(5) Fifth Floor: The six units on the fifth floor are designated from west to east as 511N, 512N, 513N, 514N, 515N and 516N.

(6) Sixth Floor: The six units on the sixth floor are designated from west to east as 611N, 612N, 613N, 614N, 615N and 616N.

d. The identification numbers of the 36 units in Old River-Phase II should same be constructed and dedicated by Developer, will be as follows:

(1) First Floor: The six units on the first floor are designated from west to east as 105N, 106N, 107N, 108N, 109N and 110N.

(2) Second Floor: The six units on the second floor are designated from west to east as 205N, 206N, 207N, 208N, 209N and 210N.

(3) Third Floor: The six units on the third floor are designated from west to east as 305N, 306N, 307N, 308N, 309N and 310N.

(4) Fourth Floor: The six units on the fourth floor are designated from west to east as 405N, 406N, 407N, 408N, 409N and 410N.

(5) Fifth Floor: The six units on the fifth floor are designated from west to east as 505N, 506N, 507N, 508N, 509N and 510N.

(6) Sixth Floor: The six units on the sixth floor are designated from west to east as 605N, 606N, 607N, 608N, 609N and 610N.

e. The identification numbers of the 24 units on Old River-Phase III, should same be constructed and dedicated by Developer, will be as follows:

(1) First Floor: The four units on the first floor are designated from west to east as 101N, 102N, 103N and 104N.

(2) Second Floor: The four units on the second floor are designated from west to east as 201N, 202N, 203N and 204N.

(3) Third Floor: The four units on the third floor are designated from west to east as 301N, 302N, 303N and 304N.

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(4) Fourth Floor: The four units on the fourth floor are designated from west to east as 401N, 402N, 403N and 404N.

(5) Fifth Floor: The four units on the fifth floor are designated from west to east as 501N, 502N, 503N and 504N.

(6) Sixth Floor: The four units on the sixth floor are designated from west to east as 601N, 602N, 603N and 604N.

3. Gulf-Phase I Site Plan and Floor Plan.

a. Gulf-Phase I Site Plan. The site plan for Gulf-Phase I certified to by Nichols & Associates, Architects P.A., is recorded on even date in the Probate Office of Baldwin County, Alabama in Apartment Book 3 at Page 1 and referred to herein as Exhibit "B-1."

b. The plans, including floor plans of each unit in Gulf-Phase I comprising 27 pages, prepared by and certified to by Watson & Nichols Architects P.A., recorded on even date in the Probate Office of Baldwin County, Alabama in Apartment Book 8 at Page 2-30, and referred to herein as Exhibit "C-1".

4. The Common Elements of Gulf-Phase II and Old River phases which may be built and dedicated, include additional beach on Gulf Phase-II, manager's office in Old River-Phase I, purchase of resident manager's unit in Old River-Phase I as set out in ARTICLE FIVE C.1.d. herein, tennis courts and river front docks and additional swimming pool in Old River-Phase I, and additional tennis courts and river docks in Old River-Phases II and III.

5. Floor Plans and Site Plans for Future Phases. Future phases, if any, which may be constructed by Developer and dedicated to the Condominium by Amendment, shall contain in such amendments site plans and floor plans which will be attached thereto as Exhibits.

ARTICLE SIX

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 as a result of settling or shifting of any building, 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 elements 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.

ARTICLE SEVEN

Ownership of Common Elements.

A. Gulf-Phase I. Each unit owner in Wind Drift at Perdido Key, a Condominium Gulf-Phase I shall have an undivided one-forty-secondth (1/42th) interest in the common elements of the Wind Drift at Perdido Key, a Condominium. The condominium has no limited common elements as of the filing of this Declaration.

B. Formula For Ownership of Common Elements for Future Phases. The owners of units in future phases shall have equal ownership of common elements with the owners of Gulf-Phase I and any other phase previously dedicated by Amendments, the same to be in accordance with the following formula, to-wit:

A fraction, the numerator of which is one, and the denominator of which is the total number of units in previously dedicated phases. For example, if Gulf-Phase II is the second dedicated phase and it contains 42 units, then the owners of units in Gulf-Phase I and Gulf-Phase II shall each have a one-eighty-fourth (1/84th) interest in the common elements.

Upon filing of Amendments adding subsequent phases to the Condominium, the Amendment shall specify the ownership in common elements which is arrived at by applying the formula contained herein. It is the intent of this provision that owners of all condominium units in Wind Drift at Perdido Key, a Condominium, which said units have been dedicated by this Declaration, or subsequent Amendments thereto, shall have an equal ownership in the common elements, shall share equally in common expense, common surplus and shall further have equal votes in Wind Drift Owners' Association. Each unit owner shall have a right and easement of enjoyment in and to the common elements which shall be appurtenant to and shall pass with the title of each unit, subject to the rules and regulations and such restrictions as the Association may impose.

ARTICLE EIGHT

A. Units Subject to Declaration and Bylaws. All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration and the Bylaws, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration and the Bylaws, 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 person having at any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof. Each Gulf-Phase I owner shall be entitled initially to an undivided one-forty-secondth (1/42th) interest in the common area PROVIDED, HOWEVER, upon the filing by Developer of Amendments adding subsequent phases as set out in ARTICLE FOUR herein, each Gulf-Phase I and subsequent phase owners shall be entitled to an equal interest in the common area arrived at by applying the formula contained in Article Seven herein. The percentage of the undivided interest in the common area shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instru-

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ment. Each owner may use the common areas in accordance with the purposes for which the same are intended, without hindering or encroaching upon the lawful rights of the other owners.

B. Enforcement. Failure of any owner to comply strictly with the provisions of this Declaration and the Bylaws, shall be grounds for an action to recover sums due, or damages or injunctive relief or any or all of them. Such actions may be maintained by the Association on its behalf or on behalf of the unit owners aggrieved. In any case of flagrant or repeated violation by a unit owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with the provisions of this Declaration and the Bylaws. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved unit owner seeking such relief.

ARTICLE NINE

Association. The operation and administration of this condominium shall be by an association, pursuant to the provisions of the Condominium Ownership Act, which shall be a non-profit incorporated association, which shall be organized and shall fulfill its function pursuant to the following provisions.

A. Name. The name of the Association shall be the Wind Drift Owners' Association, Inc.

B. The Articles of Incorporation of Wind Drift Owners' Association, Inc. are being recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

C. Powers. The powers and duties of the Association shall include those set forth in the Condominium Ownership Act, those set forth in this Declaration, those contained in the Articles of Incorporation and the Bylaws of the Association, and shall include the power to purchase a unit of the condominium.

D. Membership, Voting Rights, and Restraint Upon Assignment.

1. Qualifications. The members of the Association shall consist of all of the record owners of units as set forth in subject Declaration or Amendments thereto.
2. Change of Membership. Change of membership in the Association shall be established by the recording in the Probate Court records of Baldwin County, Alabama, of a deed or other instrument establishing record title to a unit, and upon delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becomes a member of the Association, and the membership of the prior owner shall be thereby terminated.
3. Voting Rights. The owner of each unit shall have one (1) vote in matters arising out of ownership of common elements and operation of the Owners Association. There being forty-two (42) units in Gulf-Phase I of subject condominium, the total number of votes is 42 votes. Upon filing of amendments adding subsequent phases to the condominium, the owners of units in future phases shall have equal votes in matters arising out of

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ownership of common elements and operation of the Owners Association with the owners of units of Gulf-Phase I, all in accordance with the formula contained in Article Seven herein. The vote for each unit shall be cast by the owner thereof or the owner of a possessory interest therein, or in the case of a corporate owner, by an officer or employee thereof. Should the Association be a unit owner, it shall have the voting rights for that unit. Voting rights may be exercised by mortgagees of a Unit pursuant to the Bylaws. Voting rights may be exercised by the mortgagee of a unit pursuant to the Bylaws.

4. Designation of Voting Representatives. In the event a unit is established by the record deed to his unit. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the record owners of the unit and filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association, and for a unit owned by more than one (1) person or a corporation, the membership or vote of the unit concerned shall not be considered in determining the requirement for a quorum nor owners and mortgagees as provided in the Bylaws.
5. Restraint upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association can not be assigned, hypothecated or transferred in any manner except as an appurtenance to any unit.
6. Books and Records. Books and records of the Association shall be made available to Unit Owners and mortgagees as provided in the Bylaws.

D. Board of Directors. The affairs of the Association shall be conducted by a board of not less than three (3) nor more than twelve (12) Directors, who shall be designated in the manner provided by the Bylaws.

E. Indemnification. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all rights to which such Director or Officer may be entitled.

F. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage caused by a latent condition of the property to be maintained and repaired by the Association nor for injury or damage caused by the elements or other owners or persons.

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G. Bylaws. Bylaws of the Association shall be in the form marked Exhibit "D", attached hereto and made a part hereof.

H. Agent to Receive Service of Process. The following person, whose place of business is in Montgomery County, Alabama, is designated as agent to receive service of process upon the Association:

Jerry C. Kyser
1537 Jean Street
Montgomery, Alabama 36104

ARTICLE TEN

Maintenance. The responsibility for the maintenance of the condominium property shall be as follows:

A. Private elements. Private elements shall be maintained by the owner or owners of each unit.

B. Common elements.

1. By the Association. The maintenance and operation of the common elements shall be the responsibility and the expense of the Association.
2. Alteration and Improvement. There shall be no alteration or further improvements of the common elements without prior approval in writing of the votes of 75% of the unit owners; provided however, that any alteration or improvements of the common elements bearing the approval in writing of unit owners entitled to cast a majority of the votes in the Association, and which does not prejudice the rights of any owners not consenting, may be done if the owners who do not approve are relieved from the initial cost thereof. There shall be no change in the shares and rights and obligations of unit owners in the common elements which are altered or further improved, whether or not the unit owner contributes to the initial cost thereof.

C. The Association shall have a reasonable right of entry upon any private unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Condominium.

ARTICLE ELEVEN

Assessments. The making and collecting of assessments against unit owners for common expenses shall be pursuant to the Condominium Ownership Act and the Bylaws, and subject to the following additional provisions:

A. Share of Common Expense and Surplus. Each 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.

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B. Interest, Application of Payments. Assessments and installments thereon, paid on or before thirty (30) days after the date when due shall not bear interest, but all sums not paid on or before thirty (30) days after the date when due shall bear interest at the rate of twelve (12%) percent per annum or the maximum provided by law whichever is greater (unless a lower interest rate is fixed by the Association) from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

C. Exemption from Assessments. The Developer shall be exempt from paying monthly assessment for Developer's unit for the first two (2) months following closing on the sale of the first unit in the condominium to a third party. Thereafter, the Developer shall pay its monthly association assessments on units owned by it in the same amount as other owners of units in the condominium.

D. Liens for Assessments and Foreclosure of Unit for Failure to Pay Assessments. The Association shall have a lien against any unit, for any unpaid assessment, together with interest costs and reasonable attorney fees if not paid when due in accordance with applicable law. Each assessment against the unit shall also be the personal obligation of the owner at the time the assessment falls due. Such personal obligation shall not pass to successors in title unless assumed by them or required by applicable law. The Association shall have the right to foreclosure for unpaid assessments, interest and attorney fees in the name of the Association in the same manner as a foreclosure of a mortgage on real property, all as provided in the Alabama Condominium Ownership Act, specifically Article 35-8-17. All such liens for assessments shall be subordinate to any lien for taxes, the lien of any mortgage of record and any other lien recorded prior to the time of recording of the claim of the Association's lien.

E. 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 after foreclosure and prior to surrender of possession.

F. Assessments are monthly. The assessments for common expenses shall be made against each unit owner of record, including the Developer (except as provided in ARTICLE ELEVEN C above), commencing upon the conveyance of the first unit estate to a third party. Purchasers of units will be required to pay to the Association, upon closing of their unit, an amount equal to not less than two months' common area expenses, said prepaid amount to be as fixed from time to time by suitable resolution of the Board of Directors of the Association.

ARTICLE TWELVE

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 for their ownership in private and common elements set forth in the Declaration, and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of unit owners. The policy and certificates of insurance shall list each unit separately by description including the unit owner and mortgagee, if applicable. Such policy shall be deposited with the Association. Unit owners may

obtain additional insurance coverage at their own expense, upon their own personal property, and for such other coverage, including personal property, and additional coverage on their unit as they may desire.

B. Coverage.

1. Casualty. All buildings and improvements upon the land and all personal property included in the condominium property shall be insured in an amount sufficient to avoid application of a co-insurance clause, but not more than the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:
 - a. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and
 - b. Such other risks as from time to time shall be 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. Flood Insurance. The Association must obtain and pay as a common expense a master or blanket policy of flood insurance on the buildings and any other property covered by the required form of policy, in an amount deemed appropriate, but not less than the following:

The lesser of: (1) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property within any portion of the condominium located within a designated flood hazard area; or (2) 100% of current "replacement cost" of all such buildings and other insurable property.
3. Liability Insurance. The Association must maintain comprehensive general liability insurance coverage on all common areas of the condominium in an amount which is the lesser of (a) \$1,000,000.00 for bodily injury, including deaths of persons and property damages arising out of a single occurrence, or (b) the maximum amount of said coverage available with the Condominium master or blanket policy.
4. Workmen's Compensation. Workmen's Compensation policy to meet the requirements of the Alabama law.
5. Fidelity Bonds. The Association shall be required to maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association; furthermore, should the Association delegate some or all of the responsibility for the handling of funds to a management agent, then in that event such blanket fidelity bonds are required for

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its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

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

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

D. 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 and mortgagees in the percentages established by the Declaration, which said Association, for the purpose of these provisions, is herein referred to as the Insurance Trustee. 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 Elements and Facilities. Proceeds on account of damage to common elements and facilities - an undivided share for each unit owner, such share being the same as his undivided share in the common elements and facilities.
2. Units. Proceeds on account of damage to 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 Association.
3. Mortgages. 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 owner as their interests may appear.

E. 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.

F. 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.

ARTICLE THIRTEEN

Reconstruction or Repair after Casualty. In the event of the damage or destruction of all or part of the property, then, unless it be determined by a vote of seventy-five percent (75%) of the unit owners of the Association and fifty-one percent (51%) of the mortgagees of record not to repair or reconstruct such damaged or destroyed property, the following provisions shall apply:

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A. Reconstruction or Repair. If any part of the condominium property shall be damaged by casualty, it shall be reconstructed or repaired.

1. Common Elements and Facilities. If the damaged improvement is a common element or facility, the damaged property shall be reconstructed, replaced or repaired.

2. Structure.

a. Partial Destruction. If the damaged improvement is part of a structure the damaged property shall be reconstructed or repaired.

b. Total Destruction. If a structure is so damaged that the same is untenable, the structure 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 structure, or as the structure was last constructed, or according to plans approved by the Board of Directors of the Association, 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 the unit owner, then the unit owner shall be responsible for 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 the 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 all unit owners in the case of damage to common elements and facilities in sufficient amounts to provide funds to pay the estimated costs.

ARTICLE FOURTEEN

Use Restriction. The use of the property of the condominium shall be in accordance with the following provisions:

A. Residential Use. Each condominium unit shall be used only for residential purposes and for furnishing of services and facilities for the enjoyment of such residences. Each of the units shall be occupied only by the owners, guests, or lessees, as a residence.

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 proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no

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rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

C. 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 require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

D. Leasing. Any unit may be rented provided the occupancy is only by the Lessee and his family and guests. No individual rooms may be rented and no transient tenants may be accommodated.

E. Proviso. Provided, however, that until Grantor has sold all of the units, or until Grantor elects to terminate its control of the condominium, whichever shall first occur, neither the unit owners nor the Association shall interfere with the sale or lease of the units. Grantor may make such use of the unsold units and common elements and facilities as may facilitate such sale, including but not limited to the showing of the property and display of reasonable signs.

ARTICLE FIFTEEN

Transfer of Condominium Unit. No restriction is made upon the transfer, conveyance, mortgage, lease or devise of any of the condominium units subject to this Declaration, except those that may be contained in mortgages, this Declaration, or other instruments of record.

ARTICLE SIXTEEN

Blanket Mortgages. One or more Blanket Mortgages of the entire condominium property or some or all of the units included therein may be made as provided in the Condominium Ownership Act.

ARTICLE SEVENTEEN

Individual Mortgages.

A. Notice and Effect of Encumbrances - The owners of the private individual units shall notify the Association of any and all liens upon their units and any and all suits which may affect title to their units. Such notice shall be given within five (5) days of the attachment of such lien or service of process in such suit. The granting of a mortgage on a unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such unit at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the unit owner(s) of mortgaged units as fully entitled to cast the vote or votes attributable to their unit. However, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that unit shall be recognized by the Association until

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the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

B. Rights of Mortgage Holders and Insurers or Guarantors.

1. Notice of Action. Upon written request to the Association identifying the name and address of the holder, insurer, or guarantor and the unit estate number or address, any mortgage holder or insurer or guarantor being entitled to timely written notice of:

a. Any condemnation loss or any casualty loss which affects a material portion of the project or any unit estate on which there is a first mortgage held, insured, or guaranteed by such mortgage holder or 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 holder or insurer or guarantor, which remains uncured for a period of 60 days.

c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners Association.

d. Any proposed action which would require the consent of a specified percentage of mortgage holders as provided herein.

e. A copy of the financial statement of the Association for the immediately preceding fiscal year.

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

ARTICLE EIGHTEEN

Easements and Use Agreements. Easements, restrictions, covenants, and conditions which shall run with the real property and be binding on all parties having any right, title or interest in the above described property, or any part thereof, their heirs, successors and assigns are hereby created as follows:

A. Easements to be dedicated by Condominium Survey. Easements across the common area elements for access, parking, water, gas, telephone, electricity, sewer or other utilities, drainage, will be dedicated to the utility companies, municipality, county or other supervisory jurisdiction as from time to time may be necessary, all as set out in said survey.

B. Agreements as to Sewer. This Declaration is specifically made subject to that certain agreement between Baldwin County Sewer Authority, Inc. and Perdido-Wind

Drift Joint Venture pertaining to Certificates of Use, hookup charges and requirement that the Wind Drift Owners' Association shall pay the monthly or other periodic sewer charges for the units and assess the same to unit owners all as provided in said agreement with Baldwin County Sewer Authority, Inc.

C. Agreements as to Water. Use and charges for water are subject to the rules and regulations as may, from time to time, be fixed by the water supplier, Ono Development Company, Inc., its successors and assigns and the Alabama Public Service Commission, or other supervisory authorities.

D. Additional Agreements. This Declaration is further made subject to any other easements or agreements that may be required by any other governmental agency having supervisory authority over subject condominium.

E. Additional Easements. Developer reserves the right prior to completion and sale of eighty percent (80%) of the units in Gulf-Phase I, and eighty percent (80%) of the units in any subsequent phase of Wind Drift at Perdido Key, a Condominium, to cause the Owners' Association to dedicate any additional easements across common elements as may be necessary in Developer's sole discretion to cause the project to comply with any and all rules, regulations and administrative procedures required by any governmental or other supervisory body, and to make the condominium marketable, sellable and beneficial to the present and future owners of same.

F. Permits, Licenses and Easements. Wind Drift Owners' Association, Inc. shall have 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 including entering into such utility service agreements as may be necessary and proper.

G. Rules and Regulations. Wind Drift Owners' Association, Inc., may make and amend from time to time reasonable regulations concerning the use of the Common and Private Elements of the condominium property in accordance with the provisions therefor in its Articles of Incorporation and Bylaws. Copies of all such regulations and amendments shall be furnished by the Association to all private individual unit owners and residents upon request. Such Rules and Regulations may include but not be limited to the following:

1. Common Elements. Rules and Regulations may be made and amended from time to time to regulate the use of the Common Elements including parking, access, pool, beach, elevators, roof, ground floor, stairwells, common corridors, planted areas, service areas, or any other part of the Common Elements.

2. Private Elements. Reasonable Rules and Regulations may be amended from time to time to regulate or restrict the use of Private Elements visible from the exterior (such as doors, windows or balconies), disposition of garbage and refuse, use of water closets or other water apparatus, signs, identification plates, radio and television antennas and any matter which would relate to the health or safety of the Condominium or its occupants.

3. Restrictions as to conduct. Rules and Regulations may be enacted which would restrict conduct of owners, their guests, invitees or licensees so long as such Rules and Regulations are reasonable in their scope and application.

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ARTICLE NINETEEN

Compliance and Default. Each unit owner shall be governed by and shall comply with the terms of the Condominium Documents and the regulations adopted pursuant thereto and said documents and regulations as they may be amended from time to time. A default shall entitle the Association or unit owners to the following relief in addition to the remedies provided by the Alabama Condominium Ownership Act:

A. Specific Performance. The Owners Association and any unit owner shall have the right to suit for specific performance against unit owners for failure to comply with the terms of the Condominium documents or Rules and Regulations adopted thereunder. Unit owners shall also have the right to bring suit for specific performance against the Association for its failure to comply with such terms, rules and regulations.

B. 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 of 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.

C. Costs and Attorneys' 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 attorneys' fees as may be awarded by the court.

D. No Waiver of Rights. The failure of the Association or of any unit owner to enforce any covenant, restriction or other provision of the Alabama Condominium Ownership Act, this Declaration, the Bylaws, or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

ARTICLE TWENTY

Amendment. This Declaration of Condominium and the Bylaws of WIND DRIFT OWNERS' ASSOCIATION, INC. may be amended in the following manner:

A. Amendments Adding Future Phases of the Condominium. Amendments adding one or more future phases to the Condominium, will be made as provided in ARTICLE FOUR herein.

B. Special Amendments to Comply with Governmental Requirements. Developer hereby reserves and is granted the right and power to record a Special Amendment to this Declaration and the Bylaws at any time, and from time to time, which amends this Declaration as follows:

1. To comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities.

2. To induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages governing units.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each unit owner. Each title, mortgage, other evidence of obligation or other instrument affecting a unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of a consent to the reservation of, the power to the Developer to make, execute and record Special Amendments. No Special Amendment made by Developer shall affect and impair the lien of any first mortgage upon a unit or any warranties made by an owner in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such owner's unit.

C. Other Amendments. Amendments other than that required to add future phases to the Condominium will be adopted in the following manner:

1. 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.

2. Resolution. A Resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the association, and after being proposed and 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 or disapproval is delivered to the Secretary at or prior to the meeting. Such approvals must be by not less than 75% of the vote of the members of the Association; and provided, further, that any such amendment shall have been approved in writing by all first mortgagees who are the holder of mortgages on units comprising not less than 51% of the votes of the Association.

3. 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 Baldwin County, Alabama.

4. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners and 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 Probate Court records of Baldwin County, Alabama.

5. Proviso. Provided, however, that except for the amendment adding subsequent phases to the condominium authorized in ARTICLE FOUR, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent; and no amendment shall change any condominium parcel, change the undivided interest of any owner in the common elements or 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.

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D. Provisions Pertaining to Grantor. Notwithstanding any other provisions contained herein, for so long as Grantor continues to own any of the units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Grantor from any obligations as a unit owner to pay assessments as to each unit owned by it, in accordance with the condominium documents;

1. The Grantor reserves the right to amend the Bylaws of the Association by voting its respective percentage ownership in the condominium.
2. The initial Directors of the Association shall be designated by the Grantor and such Directors as may be so designated need not be unit owners.

E. Change of Agent for Service. Any provision herein to the contrary notwithstanding, the Board of Directors of the Association may change the name of the person designated in the Declaration to receive service of process by duly adopting a resolution authorizing and making such change and causing a statement certifying thereto, duly verified by the President or Vice President of the Association, to be filed and recorded in the Office of the Judge of Probate of Baldwin County, Alabama, and the same to become effective immediately upon such filing.

ARTICLE TWENTY-ONE

Proportionate Changes in Common Expenses and Common Surplus. In the event any one (1) or more of the units are not rebuilt by reason of the loss of lands as a result of destruction, condemnation or otherwise, and therefore the number of units is reduced, or in the event the Association becomes the owner of a unit by foreclosure of same for unpaid assessments, then the proportionate share of the common expenses and of the common surplus, and limited common expenses and limited common surplus of each unit shall be increased by adding to each remaining unit their proportionate percentages of ownership out of the percentages of ownership of the units so reduced. If, after the Association becomes the owner of a unit as herein provided, upon sale and conveyance thereof, the proportionate share of the common expenses and of the common surplus shall be readjusted in reverse manner.

ARTICLE TWENTY-TWO

Termination. The condominium may be terminated in the manner provided by the Condominium Ownership Act of Alabama; 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, and provided that any amendment to the current Alabama Condominium Ownership Act notwithstanding, in no event shall the Condominium be terminated except upon the written agreement of not less than 75% of the unit owners of record, and not less than 67% of the holders of mortgages of record on the Condominium units.

ARTICLE TWENTY-THREE

Joinder by Mortgagee. GUARANTY FEDERAL SAVINGS & LOAN ASSOCIATION, the holder of a mortgage on the real property recorded in the Office of the Judge of Probate of

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Baldwin County, Alabama, in Real Property Book 147, at Page 796, in its capacity as Mortgagee only, hereby consents and joins in and executes this Declaration and agrees for itself, its heirs, successors and assigns, to be bound thereby.

IN WITNESS WHEREOF, Grantor, Perdido-Wind Drift, a Partnership, has caused this Declaration to be executed by its Partners, Kyser-Baird Beach Properties, a corporation and by GSL Service Corporation, a corporation, all as of this 29th day of May, 1984.

PERDIDO-WIND DRIFT, a Joint Venture,
DECLARANT and GRANTOR

KYSER-BAIRD BEACH PROPERTIES, INC.,
An Alabama Corporation

By: Jerry C. Kyser

Jerry C. Kyser
Its President

ATTEST:

Orville B. Baird
Orville B. Baird
Its Secretary

GSL SERVICE CORPORATION, A Corporation

By: Eugene A. Byrd

Eugene A. Byrd
Its President

ATTEST:

Gerry V. Akridge
Gerry V. Akridge
Its Secretary

STATE OF ALABAMA §
MONTGOMERY COUNTY §

I, SAMUEL KAUFMAN, a Notary Public in and for said State and County, hereby certify that Jerry C. Kyser and Orville B. Baird, whose names as President and Secretary-Treasurer of Kyser-Baird Beach Properties, Inc., an Alabama Corporation are signed to the foregoing Declaration and who are known to me, acknowledged before me on this date, that being informed of the contents of the Declaration, they as such officers executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 29th day of May, 1984.

Sam H. Smith
Notary Public

My Commission Expires: April 9, 1985

STATE OF ALABAMA §

Jefferson COUNTY §

I, Ann B. Smith, a Notary Public in and for said State and County, hereby certify that Eugene A. Byrd and Gerry V. Akridge, whose names as President and Secretary-Treasurer of GSL Corporation, a Corporation are signed to the foregoing Declaration and who are known to me, acknowledged before me on this date, that being informed of the contents of the Declaration, they as such officers and with full authority executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 29 day of May, 1984.

Ann B. Smith
Notary Public

My Commission Expires: 9/30/86

JOINDER BY MORTGAGEE

IN WITNESS WHEREOF, GUARANTY FEDERAL SAVINGS & LOAN ASSOCIATION, a Corporation, has caused this Declaration to be joined by it as Mortgagee, by Billy C. Austin, its duly authorized President, and its corporate seal of said corporation to be hereunto affixed and attested by Carl H. Ivey, its Acting Secretary, this the 29th day of May, 1984.

GUARANTY FEDERAL SAVINGS & LOAN ASSOCIATION

ATTEST:

By

Its Acting Secretary

By

Its President

STATE OF Alabama §

COUNTY OF Jefferson §

I, Ann B. Smith, a Notary Public in and for said State and County, hereby certify that Billy C. Austin and Carl H. Ivey, whose names as President and Acting Secretary, respectively of GUARANTY FEDERAL SAVINGS & LOAN ASSOCIATION, a Corporation, are signed to the foregoing Declaration joining in Declaration as Mortgagee only, and who are known to me, acknowledged before me on this day, that being informed of the contents of this Declaration, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

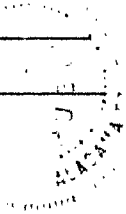
MSC 049-1386

Given under my hand and official seal this the 29th day of May,
1984.

Arw B. Smith

Notary Public

My Commission Expires: 9/30/86



MSC 049 sub 1387

EXHIBIT "A"

WIND-DRIFT AT PERDIDO KEY, A Condominium

Description of Lands Comprising GULF PHASE I

Commence at a point on the West line of Section 2, Township 4 South, Range 33 West, Tallahassee Meridian, Baldwin County, Alabama, where said West line intersects the South right-of-way (300') of Alabama Highway 182; thence run North 77°-02'-00" East along the South right-of-way of said Highway 182 for a distance of 615.70 feet to the Point of Beginning, said point being on the East line of State of Alabama property, where said right-of-way of Highway 182 changes from a 300' right-of-way to a 200' right-of-way having a road station of 78+90.75; run thence North for 51.13 feet to a concrete monument found on the South right-of-way of said Highway No. 182; run thence North 77°-02'-00" East along said right-of-way for 207.17 feet; run thence South 06°-26'-14" East for 157 feet; run thence North 83°-33'-46" East for 45 feet; run thence South for 170 feet, more or less, to the margin of the Gulf of Mexico; run thence in a Westerly direction along said margin of the Gulf of Mexico to a point that is South and 280 feet, more or less, from the Point of Beginning; run thence North for 280 feet, more or less, to the Point of Beginning. Said land being in Section 2, Township 4 South, Range 33 West, Tallahassee Meridian, Baldwin County, Alabama.

REC-049
JAN 1988

EXHIBIT "A-1"

WIND-DRIFT AT PERDIDO KEY, A Condominium

Additional Lands owned by Wind-Drift Joint Venture, a Partnership

PARCEL ONE

ADDITIONAL GULF PROPERTY
(GULF PHASE II)

Commence at a point on the West line of Section 2, Township 4 South, Range 33 West, Tallahassee Meridian, Baldwin County, Alabama, where said West line intersects the South right-of-way (300') of Alabama Highway 182; thence run North 77°-02'-00' East along the South right-of-way of said Highway 182 for a distance of 615.70 feet, said point being on the East line of State of Alabama property, where said right-of-way of Highway 182 changes from a 300' right-of-way to a 200' right-of-way having a road station of 78+90.75; run thence North for 51.13 feet to a concrete monument found on the South right-of-way of said Highway No. 182; run thence North 77°-02'-00' East along said right-of-way for 410.46 feet to the Point of Beginning; run thence South 77°-02'-30" West along said right-of-way for 203.29 feet; run thence South 06°-26'-14" East for 157 feet; run thence North 83°-33'-46" East for 45 feet; run thence South for 170 feet, more or less, to the margin of the Gulf of Mexico; run thence in an Easterly direction along said margin of the Gulf of Mexico to a point that is South and 335 feet, more or less, from the Point of Beginning; run thence North for 335 feet, more or less, to the Point of Beginning. Said land being in Section 2, Township 4 South, Range 33 West, Tallahassee Meridian, Baldwin County, Alabama.

PARCEL TWO

OLD RIVER PROPERTY

Commencing at a point on the West Line of Section 2, T-4-S, R-33-W, Tallahassee Meridian, Baldwin County, Ala., where said West Line intersects the South right of way (300') of Alabama Highway 182; thence N77°02'E along the South right of way of said Highway 182 a distance of 615.70 feet to a point, said point being on the East Line of State of Alabama property where said right of way of Highway 182 changes from a 300' right of way to a 200' right of way, having a road station of 78+90.75; thence North a distance of 256.49 feet to the point of beginning of the property herein described, said point being on the North right of way of said Highway 182; thence N77°02'E along said North right of way a distance of 410.46 feet to a point; thence North a distance of 420.4 feet, more or less, to a point on the South margin of Old River; thence Eastwardly along said South margin of Old River a distance of 410.5 feet, more or less to a point that bears North a distance of 417.8 feet, more or less from the point of beginning; thence South along said East Line of State of Alabama property a distance of 417.8 feet, more or less, to the point of beginning.

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EXHIBIT "D"
TO DECLARATION OF CONDOMINIUM

STATE OF ALABAMA §
BALDWIN COUNTY §

WIND DRIFT AT PERDIDO KEY,
A CONDOMINIUM

BYLAWS
OF
WIND DRIFT OWNERS' ASSOCIATION, INC.

I. Identity. These are the Bylaws of:

Wind Drift Owners Association, Inc., is a non-profit incorporated association under the provisions of the Alabama Non Profit Corporation Act (Title 10, Chapter 3, Code of Alabama 1975). Wind Drift Owners Association, Inc. is herein referred to as the "Association" and is a condominium association as referred to and authorized by the Condominium Ownership Act (Title 35, Chapter 8, Code of Alabama 1975).

A. Office. The office of the Association shall be:

Alabama Highway 182, Gulf Shores, Alabama 36542, or such other place as may be fixed by the Board of Directors.

B. Agent for service of process shall be Jerry C. Kyser, 1537 Jean Street, Montgomery, Alabama 36104.

II. Members.

A. Qualification. Initially, the membership shall consist of the owners of record of condominium units (hereinafter called "Units") in Gulf-Phase I, as dedicated by the Condominium Declaration. When, and if, completed and dedicated, record owners of Gulf-Phase II, and Old River-Phase I and subsequent phases shall become members of the Association at the time of dedication of subsequent phases, in accordance with the Amendments to Declaration of Condominium dedicating said subsequent phases, with appropriate provisions for percentage of ownership of common areas, proportionate share of common expenses and surplus, obligation to pay cost of maintenance and repairs of common elements, and membership voting rights, all as set out in said amendment or amendments.

B. Change of Membership. After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama, a deed or other instrument establishing a record title to a unit in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated, provided he is not a record owner of other units in the condominium. Any change in ownership shall be subject to those restrictions set out in the Declaration of Condominium.

C. Voting Rights. Voting shall be on a percentage basis and the percentage of the vote to which a member is entitled is the percentage assigned to the unit of which the member is the owner, as stated in the Declaration of Condominium, including appropriate provisions in the Declaration for the percentage

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of ownership of common areas, for Gulf-Phase I and future phases of Wind Drift at Perdido Key, a Condominium, to be dedicated by Amendment.

D. Designation of Voting Representative. If a unit is owned by one person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary-Treasurer of the Association. If a unit is owned by a corporation, professional association or partnership, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment filed with the Secretary-Treasurer of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof. The granting of a mortgage on a unit by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such unit at any regular or special meeting of the Association. The condition of such proxy shall be notice by such mortgagee to the Association, in writing, of its intent to exercise the conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Association shall be entitled to recognize the unit owner(s) of mortgaged units as fully entitled to cast the vote or votes attributable to their unit. However, once such written notice is received by the Association, the mortgagee's right to cast the vote or votes attributable to that unit shall be recognized by the Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

E. Approval or Disapproval of Matters. Whenever the decision of the unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record-owners is specifically required by the Declaration or these Bylaws.

F. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred by an owner in any manner except as an appurtenance to his unit and except as may be provided in the Declaration of Condominium.

III. Members Meetings.

A. Annual Members' Meetings. The annual members' meetings shall be held at the office of the Association, Alabama Highway 182, Gulf Shores, Alabama 36542, or such other place as may be fixed by the Board of Directors. The first annual members meeting will be held on the 18th day of March, 1985 at 7:30 P.M., or such other time as may be fixed by the Board of Directors. Thereafter annual members meetings will be held on the third Friday in March of each year at 7:30 P.M., provided, however, if the day set for annual meetings is a legal holiday, the meeting shall be held the same hour on the next day following which is not a legal holiday.

Change of Date: The time of holding the annual meeting of members may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting by a resolution duly adopted by the Board of Directors or by the members, provided that notice of such change be mailed to each member of record, at

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such address as appears upon the records of the Association, not less than ten (10) days before the holding of such meeting; and further provided that each annual meeting of members shall be held within one (1) month of the date on which it should regularly have been held but for such change.

The purpose of the annual meeting is for electing directors and of transacting any other business authorized to be transacted by the members. The annual meeting may be waived by a unanimous agreement of the members, in writing.

B. Proviso. Provided, however, that until the Developer of Wind Drift at Perdido Key, a Condominium, has sold and conveyed 75% of the units of the condominium, then dedicated, has elected to terminate its control of the condominium, or until March 15, 1989, whichever shall first occur, there shall be no meeting of the members of the Association, unless the meeting is called by the Board of Directors.

C. Special Members' Meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast twenty-five (25%) percent of the votes in the Association.

D. Notice of all Members' Meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary-Treasurer unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

E. Voting shall be as provided in Paragraph 2.C. herein.

F. Quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these Bylaws the term "majority" means fifty-one (51%) percent of the votes of the members.

G. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary-Treasurer before the appointed time of the meeting.

H. Vote required to transact business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of the statutes, the Declaration of Condominium, or the Bylaws, a different number is required, in which case the express provision shall govern and control the decision in question.

I. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

J. The Order of Business at annual members' meetings and, as far as practical, at all other members' meetings shall be:

1. Call to order.
2. Calling of the roll and certifying of proxies.
3. Proof of notice of meeting or waiver of notice.
4. Reading and disposal of any unapproved minutes.
5. Reports of officers.
6. Reports of committees.
7. Election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

IV. Board of Directors.

A. Membership. The affairs of the Association shall be conducted by a Board of Directors consisting of such number not less than three (3) nor more than twelve (12) 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. Each Director shall be a person entitled to cast a vote in the Association, except as provided by subparagraph below.

B. Designation and Election of Directors.

1. Initial Directors. The initial Directors of the Association shall be Jerry C. Kyser, Eugene A. Byrd and Orville B. Baird. The initial Directors shall serve until the first annual meeting of the membership, or until successors are selected, whichever occurs first.

2. Election of Directors. Subsequent Directors shall be elected 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 meetings of members shall be filled by the remaining Directors.

c. Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided by the election of the removed Director.

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

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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.

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.

6. Special meetings of the Directors may be called by the President, and must be called by the Secretary-Treasurer 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.

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

8. A quorum at Directors' 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 or of these Bylaws. 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.

C. Power and Duties of the Board of Directors.

The Board of Directors, for the benefit of the Owners, shall have the following powers and duties:

1. To exercise all of the powers of the Association with respect to the operation and regulation of the condominium project which are conferred upon the Board by the Condominium Ownership Act or which may be conferred upon the Board by these Bylaws pursuant to such Act, and to exercise all of the powers of the Association which are conferred upon it by law and by its Articles of Incorporation.

2. Adopt and publish Rules and Regulations governing the use of the Common Elements and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

3. To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board.

4. To provide or cause to be provided all goods and services required by the Bylaws or by law, or which the Board, in its discretion, deems necessary for the proper operation of the condominium project, or which are used in common or jointly by the common elements and condominium units, in each case to the extent such goods and services shall not be otherwise provided.

5. To collect monthly assessments from the Owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any Owner.

6. To maintain a class action, and to settle a cause of action, on behalf of Owners with reference to the common elements, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building, as distinguished from mechanical elements serving only a unit; and to bring an action, and to settle the same, on behalf of two (2) or more of the Owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one (1) condominium unit; all as the Board deems available.

7. To elect the Officers of the Association and otherwise exercise the powers regarding Officers of the Association as set forth in these Bylaws.

8. To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.

9. To employ a management agent or manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this Section; and such duties so conferred upon the managing agent or manager by the Board of Directors may upon five (5) days notice be revoked, modified or amplified by the majority of the votes of the Directors in a duly constituted meeting.

10. To enter into a rental management contract, for the purpose of renting units of the Condominium from time to time for the benefit of the unit owners, provided said management contract will provide that all costs and expenses of management be passed on to the unit owners utilizing the services of such rental management, that the rental management agent or company pay pro rata cost to the Association for use of any common area facility or services, and provided further, that any rental management contract shall be for a term not in excess of one (1) year, and that same may be renewed from year to year only by a majority vote of the Board of Directors and a majority vote of the unit owners in a meeting in which renewal of the rental management contract is included in the official notices to the unit owners. Such rental management contract must further provide that upon vote of seventy-five percent (75%) of the members of the Board of Directors, and vote of seventy-five percent (75%) of the unit owners at a meeting held for that purpose, that such contract may be terminated at the end of ninety (90) days from appropriate action by the Board and by the Association.

11. To take appropriate action to enforce the provisions of the Condominium Declaration, the Rules and Regulations, and the Bylaws, pursuant to Article Nineteen of the Declaration of Condominium, pursuant to the Alabama Condominium Ownership Act, and pursuant to the general law of Alabama. In connection with same, the Board is authorized to file or defend appropriate suits or

request for arbitration filed under any of said instruments, acts or provided for by the laws of Alabama.

12. To employ attorneys, accountants, and other persons or firms reasonable necessary to carry out the provisions of the Condominium Declaration, Bylaws, Articles of Incorporation of Wind Drift Owners Association, Inc. and the Rules and Regulations.

13. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

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

V. Officers.

A. The Executive Officers of the Association shall be a President, who shall be a Director; a Vice President, who shall be a Director; a Secretary-Treasurer; 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. Any person may hold two (2) or more offices except that the President shall not also be the Secretary-Treasurer. 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.

B. The initial officers of the Association shall be Jerry C. Kyser, President; Eugene A. Byrd, Vice President; and Orville B. Baird, Secretary-Treasurer.

C. 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 the 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.

D. 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.

E. 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, and 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.

F. The Treasurer shall have custody of all property of the Association including funds, securities, and evidences 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 any other expenses incurred; shall keep an account for each unit setting forth any shares of common expenses or other charges, due dates thereof, present balance due for each unit, and any interest in common surplus. The Treasurer shall also perform all other duties incident to the office of Treasurer. The records, books of account, and the vouchers authorizing payments, shall be available for examining by a member of the Association at convenient hours of week days.

VI. FISCAL MANAGEMENT.

A. Budget. The Board of Directors shall determine the common expenses of the Association and adopt a budget for each calendar year of such 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 December 20th 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. Delivery of a copy of the budget to each Owner shall not affect the liability of any owner for any existing or future assessments.

B. Maintenance and Inspection of Books and Records. The Board of Directors shall maintain and make available for inspection to unit owners, their authorized representative, and to holders, insurers, or guarantors of any first mortgage, current copies of the Declaration of Condominium, the Bylaws, the Rules and Regulations, the Operating Budget, and other books, records and financial statements of the Association pertaining to the operation of Wind Drift at Perdido Key, a Condominium. ("Available" means available for inspection upon request during normal business hours or under other reasonable circumstances.)

C. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance, on or before December 20th preceding the year for which the assessments are made. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas which the Association may be obligated to maintain, and such maintenance funds reserved 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 Association shall be distributed to all unit owners in their respective proportionate shares. Such assessments shall be due in monthly installments on the 1st 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 twenty (120%) per cent 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 at any time after approval in writing by unit owners entitled to cast a majority of the votes in the

Association, and the amended assessment for the remaining portion of the calendar year 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.

D. Assessments for capital improvements. Upon written notice to all the unit owners and upon approval in writing by unit owners entitled to cast a majority of the votes in the Association, the Board may establish and maintain one (1) or more capital reserve accounts, by the assessment of and payment by all the unit owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount, for such term of years, as the Board may estimate as needed to cover each unit owner's obligations to provide for specified capital improvements, such as, by way of illustration and not limitation, the purchase of additional property, the paving or repaving of streets and areas, the construction or reconstruction of common elements and the like. Each such capital reserve account shall be earmarked, segregated from other accounts, and designated for the specific capital improvement for which the assessment is made, and the funds of each such capital reserve account shall not be commingled with the general assessment funds of the Association but shall be deposited in a special account similarly earmarked and designated. The proportionate interest of each unit owner in each such capital reserve account 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 each such capital reserve account remaining after full payment of all common expenses of the Association shall be distributed to all unit owners in their respective proportionate shares.

E. Assessments for emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefor to the unit owners concerned. After such notice and upon approval in writing of more than one-half (1/2) of such unit owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days' notice thereof in such manner as the Board of Directors of the Association may require.

F. Acceleration of assessment installments upon default. If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installment of such assessment upon notice thereof to the unit owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

G. Default.

1. 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 moneys in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days' prior notice of the 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

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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 tax liens in favor of the state, county, any municipality and any special district, and any first 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 judgment 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 judgment, brought by or on behalf of the Association against a unit owner, the losing defendant shall pay the cost thereof together with a reasonable attorney's fee.

2. 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 re-sale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees, abstract or title insurance costs, and expenses necessary for the repairing and refurbishing of the unit in question. All moneys remaining after deducting the foregoing items of expense shall be returned to the former owner of the unit in question.

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

I. 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.

VII. OBLIGATIONS OF THE OWNERS

A. Assessments. Every Owner of any unit in the condominium shall contribute pro rata toward the expense of administration of the condominium, as provided in the Declaration and in these Bylaws.

B. Maintenance and Repair.

1. 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.

2. 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 area shall be maintained at the Owner's expense.

3. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damages through his fault.

C. Use of units. Every Owner shall comply strictly with the provision of the Act, the Declaration, the Bylaws and the Rules. In the event of the failure of any Owner so to do, the Association may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

D. 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 representative to enter his unit at reasonable times for 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.

E. Title. Every unit Owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Baldwin 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-Treasurer shall maintain such information in the record of ownership of the Association.

F. 1. Mortgagees. Any mortgagee of a unit may file a copy of its mortgage with the Association, and the Secretary-Treasurer 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 of any unit owner who is in default in the expenses for the administration of the condominium and the mortgagee at its option may pay the delinquent expenses; and the holder of every such mortgage requesting the same shall be entitled to written notification from the Association of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within thirty (30) days.

2. Unless all holders of first mortgage liens on units have given their prior written approval, the Association shall not be entitled to:

a. Change the pro rata interest or obligation of any unit for the purposes of levying assessments and charges, and determining shares of undivided interest in the common elements and proceeds of the project;

b. Partition or subdivide any unit or the common elements of the project; nor

c. By act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial destruction, deterioration or obsolescence to the units and condominium project.

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VIII. AGENTS TO RECEIVE SERVICE OF PROCESS. The following person, who is a resident of the State of Alabama, is designated as agent to receive service of process upon the Association:

Name: Mr. Jerry C. Kyser
Resident Address: 1537 Jean Street
Montgomery, Alabama 36104


IX. PARLIAMENTARY RULES. Roberts 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 Bylaws.

X. AMENDMENTS. These Bylaws may be amended by following the provisions of ARTICLE TWENTY of the Declaration of Condominium.

The foregoing are adopted as the Bylaws of the WIND DRIFT OWNERS ASSOCIATION, INC., at the first meeting of the Board of Directors, held on the 30th day of May, 1984.

IN WITNESS WHEREOF, WIND DRIFT OWNERS' ASSOCIATION, INC., a corporation not for profit, has caused these Bylaws to be executed by Jerry C. Kyser, its duly authorized President and its corporate seal of said corporation to be hereunto affixed and attested by Orville B. Baird, its duly authorized Secretary-Treasurer this 30th day of May, 1984.

ATTEST:


Orville B. Baird
Its Secretary-Treasurer

WIND DRIFT OWNERS' ASSOCIATION, INC.,
a corporation not for profit

By 
Jerry C. Kyser
Its President

This instrument prepared by:

Samuel Kaufman
Kaufman, Rothfeder & Blitz, P.C.
P. O. Drawer 4540 (One Court Square)
Montgomery, Alabama 36103-4540

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