

Gail Cash
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Adrian T. Johns, Judge of Probate

ARTICLES OF INCORPORATION
OF
ROYAL PALMS CONDOMINIUM OWNERS ASSOCIATION, INC.

By these Articles, the undersigned natural persons over the age of nineteen (19) hereby associate themselves for the purpose of forming a nonprofit corporation under the Alabama Nonprofit Corporation Act, Section 10-3-1, et seq., Code of Alabama (1975), as amended, and the Alabama Uniform Condominium Act of 1991, Section 35-8A-101, et seq., Code of Alabama (1975), as amended, and verify as follows, to-wit:

ARTICLE I

NAME AND DEFINITIONS

The name of the corporation shall be ROYAL PALMS CONDOMINIUM OWNER'S ASSOCIATION, INC., An Alabama Nonprofit Corporation. The corporation is herein referred to as the "Association," and the terms used herein shall have the meaning for each stated in the said Alabama Nonprofit Corporation Act and the Alabama Uniform Condominium Act referenced hereinabove, hereinafter referred to collectively as the "Acts," and the Declaration of Condominium of ROYAL PALMS CONDOMINIUMS, a condominium to be recorded in the Public Records of Baldwin County, Alabama, unless the context otherwise requires.

ARTICLE II

PURPOSE

The Association is organized for the purpose or purposes of transacting any and all lawful

business, including but not limited to the following, to-wit:

1. To maintain, operate and manage the condominium known as ROYAL PALMS CONDOMINIUM, a condominium, located at along East Beach Blvd., Gulf Shores, Baldwin County, Alabama, and to do all things incident, necessary, convenient, expedient, ancillary, or in aid for the accomplishment of the foregoing.
2. To own, operate, lease, sell, trade, or otherwise deal with such property, real or personal, as may be necessary or convenient in the administration of the Condominium.

ARTICLE III

POWERS

3.01. Implied Powers. The Association shall have all of the common law and statutory powers of a not for profit corporation which are not in conflict with the purposes of the Association as set forth in this Article, the Declaration of Condominium and the Acts.

3.02. Specific Powers. In furtherance of the purposes of the Association, the Association shall have all of the powers set forth in the Acts and all of the powers reasonably necessary to operate the Condominium pursuant to the Declaration of Condominium, including but not limited to the following irrevocable rights, powers, and authority, to-wit:

(1) To enforce the covenants and restrictions contained in the Declaration, and to make, establish, and enforce reasonable Rules and Regulations governing the administration, management, and use of the Condominium Property.

(2) To establish a budget for the management and operation of the Condominium; to designate those expenses which shall constitute the Common Expenses of the Condominium; to make, levy, and collect assessments against Unit Owners of the Condominium for the purpose

of collecting sufficient funds to pay the Common Expenses of the Condominium as provided for in the Condominium Documents and in the Act; and to use and expend the proceeds of such Assessments in the exercise of powers and duties of the Association.

(3) To maintain, repair, replace, and operate those portions of the Condominium Property which the Association has the duty or right to manage, maintain, repair, replace, and operate under the Condominium Documents.

(4) To have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any Common Elements or Limited Common Elements therein or accessible therefrom, or to have immediate access at any time as may be necessary for making emergency repairs necessary to prevent damage to any Common Element, Limited Common Element, or other Unit or Units.

(5) To contract for the management of the Condominium Property and to delegate to such agents all or some of the powers, duties, and responsibilities of the Association.

(6) To employ personnel from time to time to perform the services required for proper operation of the Condominium and the Association.

(7) To purchase and maintain all forms of insurance on the Condominium Property for the protection of the Association and its members.

(8) To reconstruct the Condominium Property after casualty or other loss.

(9) To make additional improvements on and to the Condominium Property.

(10) To approve or disapprove the transfer, mortgage, and ownership of Units to the extent such power is granted to it under the Condominium Documents.

(11) To retain legal counsel at the expense of the Association and to enforce by

legal action the provisions of the Condominium Documents and the Rules and Regulations of the Association.

(12) To acquire, by purchase or otherwise, Units in the Condominium, and to hold, lease, mortgage, and convey the same.

(13) To lease or license the use of Common Elements and Limited Common Elements in a manner not inconsistent with the rights of Unit Owners.

(14) To pay taxes and assessments which are liens against any part of the Condominium other than individual Units, unless the individual Units are owned by the Association, and the appurtenances thereto, and to assess the same against the Units.

(15) To pay the cost of all power, water, sewer, trash, garbage, and other utility services rendered to the Condominium and not billed to the individual Units.

(16) To adopt and establish By-Laws for the operation of the Condominium Association.

ARTICLE IV

ASSOCIATION FUNDS AND PROPERTY

The Association shall pay no dividend, and shall distribute no part of its income to its Members, Directors, or Officers. The Association may, however, pay compensation in a reasonable amount to its Members, Directors, and Officers for services rendered, and it may confer benefits on its Members in conformity with the Declaration of Condominium and the purposes of the Association. On termination, the Association may make distributions to its Members as permitted by law, and no such payment, benefit, or distribution shall be deemed to be a dividend or distribution or income. All funds and property acquired by the Association and

all proceeds therefrom shall be held and used for the benefit of the Members of the Association in accordance with the provisions of the Declaration, these Articles and the By-Laws.

ARTICLE V

MEMBERS

5.01. Qualification. The Members of the Association shall consist of all of the Unit Owners of record in the Condominium.

5.02. Certification of Membership. This Corporation shall issue no shares of stock of any kind or nature whatsoever.

5.03. Change of Membership. Change of membership in the Association shall be established by the recording in the public records of Baldwin County, Alabama, of a deed or other instrument establishing a record title to a Condominium Unit, and delivery to the Association of a certified copy of such instrument. The new Unit Owner designated by such instrument shall thereupon become a Member of the Association, and the membership of the prior unit owner shall thereby be terminated.

5.05. Transfer of Membership. The membership of a Member in the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to such Member's Unit.

5.06. Meetings. The By-Laws, subject to any proviso therein, shall provide for an annual meeting of Members and may provide for regular and special meetings other than the annual meeting.

5.06. Voting. The owner of each Unit shall be entitled to the number of votes specified in the Declaration of Condominium for that unit. The manner of exercising voting rights shall be

determined by the By-Laws.

ARTICLE VI

DIRECTORS

6.01. Number. The property, business, and affairs of the Association shall be managed by a Board of Directors consisting of the number of Directors determined by the By-Laws, but which shall consist of not less than three (3) Directors nor more than seven (7) Directors. Except as may otherwise be provided in the By-Laws, each Director shall be either a person designated by the Developer or a person entitled to cast a vote in the Association.

6.02. Election. Directors may be designated or elected and removed, and vacancies on the Board of Directors shall be filled as provided in the By-Laws.

6.03. Authority. All of the duties and powers of the Association existing under the Condominium Act, the Declaration of Condominium, these Articles, and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Unit Owners when such approval is specifically required by the Condominium Act, the Declaration of Condominium, these Articles, or the By-Laws.

6.04. Initial Directors. The names and address of the three members of the initial Board of Directors, who shall hold office until the election or appointment of their successors, are as follows, to-wit:

Clifford B. Harbour, III
7530 Goodwin Road
Chattanooga, Tennessee 37421

Melinda C. Harbour
7530 Goodwin Road
Chattanooga, Tennessee 37421

A.C. Davis
216 East 20th Avenue
Gulf Shores, Alabama 36542

ARTICLE VII

OFFICERS

The affairs of the Association shall be administered by officers designated in accordance with the By-Laws. The names and addresses of the officers who shall serve until the election or appointment of their successors in accordance with the By-Laws are as follows, to-wit:

Clifford B. Harbour, III
President/Vice President
7530 Goodwin Road
Chattanooga, Tennessee 37421

Melinda C. Harbour
Secretary/Treasurer
7530 Goodwin Road
Chattanooga, Tennessee 37421

ARTICLE VIII

DURATION

The duration of the Association shall be perpetual; provided, however, that the Association shall be terminated by the termination of the Condominium in accordance with the terms of the Declaration of Condominium.

ARTICLE IX

REGISTERED OFFICE AND AGENT

The initial registered office of the Association is 216 East 20th Avenue, Gulf Shores, Alabama 36542, and the name of the initial agent at that address is Timothy D. Garner, Attorney at Law, whose mailing address is Post Office Box 3304, Gulf Shores, Alabama 36547-3304.

ARTICLE X

INCORPORATORS

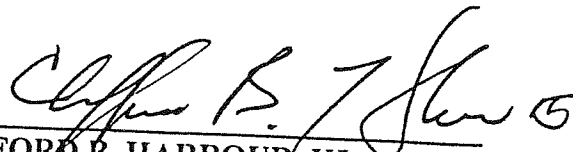
The names and addresses of the incorporators of the Association are as follows, to-wit:

Clifford B. Harbour, III
7530 Goodwin Road
Chattanooga, Tennessee 37421

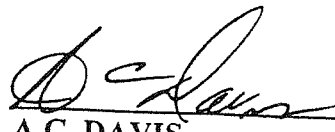
A. C. Davis
Post Office Drawer 689
Gulf Shores, Alabama 36547

Melinda C. Harbour
7530 Goodwin Road
Chattanooga, Tennessee 37421

IN WITNESS WHEREOF, the Incorporators, Clifford B. Harbour, III, A. C. Davis, and Melinda C. Harbour, have caused this instrument to be duly executed on this the 9 day of Dec, 19 99.


CLIFFORD B. HARBOUR, III


MELINDA C. HARBOUR


A.C. DAVIS

This Instrument Prepared By:
Timothy D. Garner
Attorney at Law
Post Office Box 3304
Gulf Shores, Alabama 36547-3304
(334) 968-5540

ACKNOWLEDGMENTS

STATE OF Alabama }
COUNTY OF Baldwin }

I, A. C. Davis, the undersigned authority, a notary public in and for said county in said state, hereby certify that **CLIFFORD B. HARBOUR, III**, whose name as Incorporator is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he has executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 4th day of December, 19 99.

My Commission Expires:

4-1-2000

A. C. Davis
NOTARY PUBLIC

STATE OF ALABAMA }
COUNTY OF BALDWIN }

I, A. C. Davis, the undersigned authority, a notary public in and for said county in said state, hereby certify that **MELINDA C. HARBOUR**, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, she has executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 4th day of December, 19 99.

My Commission Expires:

4-1-2000

A. C. Davis
NOTARY PUBLIC

STATE OF Alabama }
COUNTY OF Baldwin }

I, Gail W. Cash, the undersigned authority, a notary public in and for said county in said state, hereby certify that A.C. DAVIS, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he has executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 9th day of December, 1999.

My Commission Expires:

Dec. 2, 2001

Gail W. Cash
NOTARY PUBLIC