

DECLARATION OF CONDOMINIUM OF  
CORNERSTONE CONDOMINIUMS

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## DECLARATION OF CONDOMINIUM

OF

### CORNERSTONE A CONDOMINIUM

THIS DECLARATION, made this 5<sup>th</sup> day of October, 2001, by HAYLEY-FREEMAN CONTRACTING, an Alabama General Partnership, hereinafter called "DEVELOPER", for itself, its successors, grantees and assigns.

#### RECITALS

1. The Developer is the fee simple Owner of that certain parcel of Real Property situated in the County of Lee, State of Alabama, hereinafter more particularly described, and intends to improve said Real Property in the manner set out herein.

2. The Developer proposes to establish a Condominium pursuant to the provisions of the Alabama Uniform Condominium Act of 1991. The Condominium shall be known as **CORNERSTONE CONDOMINIUMS**.

3. The Developer proposes to develop the Condominium as a phased development consisting of one phase.

4. The Condominium shall initially consist of One building containing a total of \_\_\_\_\_ square feet of gross building area, a parking area containing a total of \_\_\_\_\_ square feet of gross area, together with access and appurtenant facilities herein described. See attached Exhibit "G".

NOW, THEREFORE, the Developer, hereby makes the following Declaration.

#### I. DEFINITIONS

The terms used in this Declaration and in the By-Laws shall have the meanings stated in the Alabama Uniform Condominium Act of 1991, and as follows, unless the context otherwise requires:

- 1.01 "Act" means the Alabama Uniform Condominium Act of 1991, Code of Alabama (1975), Section 35-8A-101, et seq.
- 1.02 "Articles" means the Articles of Incorporation of the Association, recorded in the Office of the Judge of Probate of Lee County, Alabama.
- 1.03 "Assessment" means proportionate share of the funds required for the payment of the Common Elements which from time to time may be levied against each Suite Owner.
- 1.04 "Association" means **CORNERSTONE OWNERS ASSOCIATION, INC.**, an Alabama non profit corporation, and its successors, and is the corporation organized under the Act.

- 1.05 **"Board"** means the Board of Directors of the Association.
- 1.06 **"Building"** means all structures or structural improvements located on the Real Property and forming part of the Condominium.
- 1.07 **"By-laws"** means the duly adopted By-Laws of the Association, identified as "Exhibit C-2" attached hereto and made a part hereof as if set out fully herein.
- 1.08 **"Gathering Area and Lounge"** means the Common Area designed for use by all owners of the building which includes the open air veranda.
- 1.09 **"Common Elements"** means all portions of the condominium other than the Suites.
- 1.10 **"Common Expenses"** means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.
- 1.11 **"Common Surplus"** means the excess of all receipts of the Association arising out of the Common Elements over the amount of the Common Expenses.
- 1.12 **"Condominium"** means **CORNERSTONE CONDOMINIUMS**, a condominium, and consists of the Condominium Property submitted to the Condominium form of ownership by this Declaration.
- 1.13 **"Condominium Documents"** means the Declaration, By-Laws, Articles and all Rules and Regulations adopted by the Association and all exhibits attached thereto as the same may be amended from time to time.
- 1.14 **"Condominium Property" or "Property"** means all property, both real and personal or mixed, which is submitted to the Condominium form of ownership as provided for herein and includes the Real Property and all improvements now existing or hereafter placed thereon and all easements, rights, interests, or appurtenances thereto, and all personal property now or hereafter used in connection therewith.
- 1.15 **"Declaration"** means this Declaration of Condominium and any amendments thereto which may be made from time to time.
- 1.16 **"Developer"** means **HAYLEY-FREEMAN CONTRACTING**, an Alabama General Partnership, and its successors and assigns.
- 1.17 **"Development"** shall have the same meaning as "Condominium Property" or "Property".
- 1.18 **"Development Rights"** shall have the same meaning as is defined in the Act and as set out in the Declaration.
- 1.19 **"Limited Common Elements"** shall have the same meaning as is defined in the Act and as set out herein in Section 5.12
- 1.20 **"Member"** means a member of the Association, membership in which is confined to Suite Owners.

- 1.21 **"Mortgagee"** means any lender holding a mortgage or vendor's lien on any part or all of the Condominium Property.
- 1.22 **"Occupant"** means a person or persons in possession of a Suite, regardless of whether that person is the Suite Owner.
- 1.23 **"Parking Space"** means a privately owned and designated space in the parking area for the sole purpose and use as a location to park personal automobiles and similar sized vehicles.
- 1.24 **"Parking Area"** means the improvement located in the real property and used to park personal automobiles and similar sized vehicles.
- 1.25 **"Person"** means a natural person, a corporation, a partnership, a limited partnership, a limited liability company, the Association, a Trustee, or other legal entity.
- 1.26 **"Plans"** mean the site plan, floor plans, and elevations of the Condominium prepared by an independent registered engineer or registered architect, which are marked "Exhibit B" and attached hereto and expressly made a part hereof as though fully set out herein. The Plans contain a certificate of completion executed by an independent registered engineer or registered architect in accordance with the Act. The Plans contain a certification that the Plans contain all information required by the Act.
- 1.27 **"Real Property"** means the Real Property which is submitted to the Condominium form of ownership as provided for herein.
- 1.28 **"Rules and Regulations"** shall mean the Rules and Regulations that may from time to time be approved by the Association or the Board.
- 1.29 **"Special Declarant Rights"** shall have the same meaning as is defined in the Act and as set out in the Declaration.
- 1.30 **"Suite" or "Private Element"** shall have the same meaning as "Unit" as defined in the Act. The Suites are designated on the Plans.
- 1.31 **"Suite Owner"** means the Owner of a Suite.
- 1.32 **"Utility Services"** shall include but not be limited to electrical power, gas, garbage water and sewage disposal.

When the context permits, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

## II. NAME

2.01 The name by which this Condominium is to be known is **CORNERSTONE CONDOMINIUM**. The Condominium is located at \_\_\_\_\_, Lee County, Alabama.

## III. THE REAL PROPERTY



3.01 The Real Property owned by the Developer which is herewith submitted to the Condominium form of ownership is the parcel of Real Property lying and being in Lee County, Alabama, and being more particularly described in Exhibit "A".

The Real Property is subject to the following:

- (a) Zoning, planning and other restrictions or regulations upon the use of the Real Property as may be imposed by the City of Lee, Alabama, or any other governmental authorities having jurisdiction over the Real Property.
- (b) Development Rights and Special Declarant Rights granted Developer by the Condominium documents and by the Act.
- (c) All ad valorem taxes and assessments.
- (d) The rights of eminent domain and other governmental rights of police power.
- (e) Easements or claims of easements not shown by the public records.
- (f) Encroachments, overlaps, boundary line disputes, and any other matter which would be disclosed by an accurate survey and inspection of the Real Property.
- (g) Terms and conditions of all permits and licenses of Federal, State and local government, including applicable agencies and departments and private and quasi governmental agencies having jurisdiction over the Real Property.
- (h) Rights of other parties, the United States of America or the State of Alabama.

#### IV. PURPOSE

4.01 The Developer hereby submits the Real Property described above together with all improvements, buildings, structures, and all other permanent fixtures thereon, and all rights and privileges belonging or in any way pertaining thereto, to the Condominium form of ownership and use in the manner provided for by the "Alabama Uniform Condominium Act of 1991", Code of Alabama (1975), Section 35-8A-101, et seq.

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## V. DEVELOPMENT PLAN

5.01 **Plans.** The improvements are substantially completed in accordance with the Plans, as evidenced by the Certificate of Completion executed by an independent registered architect or registered engineer.

5.02 **Amendments.** This Declaration may be amended by the Developer without the consent of any Suite Owner, Mortgagee, or other Person in order to exercise any Development Rights or Special Declarant Rights so long as said amendment complies with the requirements of the Act.

5.03 **Agreement.** Each Person or entity who shall acquire any Suite in the Condominium or interest in or lien upon any such Suite shall be deemed, by accepting a conveyance of or otherwise acquiring such Suite interest or lien, to have agreed and consented, within the meaning of this Declaration and of the Act to be bound by the terms and provisions hereof and to have further agreed and consented that any amendment to this Declaration executed by the Developer alone pursuant hereto shall be binding and effective as written notwithstanding the fact that the undivided interest of the Suite Owners in the Common Elements will be changed thereby.

5.04 **Easements.** Easements are reserved to the Developer throughout the Common Elements as may be reasonably necessary for the purpose of discharging the Developer's obligations or exercising any Development Rights or Special Declarant Rights. Further, the Developer, its successors and assigns, reserves a perpetual nonexclusive easement for access, ingress and egress in, over and through all drives, access routes, parking areas and other common areas for its guests, licensees, lessees, customers and employees to and from any adjacent and contiguous property for the purpose of real estate sales or any other business operated by the Developer on such property. Developer reserves to itself, Tenants, assigns, its licensees, lessees, customers, employees, purchasers of Suites and their tenants, servants, employees, agents, visitors, invitees, or licensees, a perpetual nonexclusive easement for access, ingress and egress in, over and through all drives, access routes, and parking areas.

A. **Utilities and Drainage:** Easements are reserved throughout the Condominium Property as may be required for Utility Services and drainage in order to adequately serve the Condominium; provided, however, such easements to a Suite shall be only in accordance with the Plans or as the improvements are constructed, unless approved in writing by the Suite Owner. Each Suite shall have an easement as may be required to drain the Condominium Property adequately. Each Suite Owner shall have an easement in common with the Owners of all other Suites to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Suites and serving his Suite. Each Suite shall be subject to an easement in favor of the Owners of all other Suites to use all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Suites and located in such Suite. The Association shall have a right of access to each Suite to inspect the same, to remove violations therefrom, and to maintain, repair or replace the Common Elements contained therein or elsewhere on the Condominium Property; provided such right of access, except in the event of emergency, shall not unreasonably interfere with the Suite Owners permitted use of that Suite, and except in the event of emergency, entries shall not be made without prior notice to the Suite Owner.

B. **Encroachments:** If any portion of the Common Elements encroaches upon any Suite, or if any Suite encroaches upon any other Suite 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 shall exist so long as such Building stands. In the event any Building, any Suite, any adjoining Suite, or any adjoining Common Element shall be partially or totally destroyed as a result of fire, or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Suite or of any Suite upon any other Suite or upon any portion of the Common Elements due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance therefore shall exist so long as such Building or Buildings shall stand.

C. **Support:** Each Suite shall have an easement of support and of necessity and shall be subject to an easement of support and of necessity in favor of all other Suites, and the Common Elements.

D. **Access:** Each Suite shall have an easement for pedestrian traffic over, through, and across sidewalks, paths, walks, lobbies, elevators, stairways, walkways, and lanes, and light passage ways, as the same may from time to time exist in the Common Elements; and for ingress and egress over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, but the same shall not give or create in any Person the right to park on any portion of the Condominium Property not designated as a parking area nor shall it give or create in any Person the right to use or occupy a Limited Common Element designated for the exclusive use of others. This easement shall be non-exclusive and shall include the right of ingress and egress to a public street or highway upon and over Common Elements providing such access and as shown on the Plans.

5.05 **General Description of Improvements:** See attached Exhibit "G".

5.06 **Suites - Private Elements:** The portion of the Development which the Suite Owner shall have exclusive use thereof, is the Suite which is owned by the Suite Owner.

A. **Horizontal Boundaries. -(Planes).** The upper and lower boundaries extended to their planer intersections with the vertical boundaries of each Suite shall be:

(1) **Upper Boundary.** The area below or what is customarily below (the lower surface) any ceiling within the Suite.

(2) **Lower Boundary.** The horizontal plane of the unfinished upper interior surface of the floor.

B. **Vertical Boundaries. -(Planes).** The vertical boundaries of each Suite shall be the vertical planes of the interior surfaces of exterior windows and the interior surfaces of the entry doors bounding a Suite, and the inner studs within the walls of the Suite perimeter, excluding paint, wall paper, and light coverings, sheetrock and paneling extended to their planer intersections with each other and with the upper and lower boundaries.

5.07 **Suite Floor Plans.** See Exhibit "B".

5.08 **Suite Ownership.** Each Suite Owner shall be entitled to the exclusive ownership and possession of his Suite. Each Suite Owner shall have the unrestricted right of ingress and

gress to his Suite, which right shall be an appurtenance to his Suite. The private elements of each Suite shall consist of the following:

A. The air space of the area of the Building lying within the Suite boundaries, less and except the Limited Common Elements as described herein lying within the Suite boundaries.

B. The surfacing materials on the interior of the exterior walls and on interior walls separating one Suite from another Suite. This is intended to include the sheetrock or paneling on any common-party walls falling between Suites. Such sheetrock or paneling is a private element.

C. The structural components and surfacing materials of all interior walls located within the boundaries of the Suite.

D. The surfacing materials of the floors and ceilings of the Suite.

E. Any toilets, sinks or other appliances installed within a Suite by a Suite Owner, lighting fixtures and all hardware and interior and exterior wall fixtures except those exterior lighting fixtures assigned to the common use of the Condominium.

F. All interior trim and finishing materials within the confines of the Suite.

5.09 **Surfaces.** A Suite Owner shall not be deemed to own the structural components of the perimeter and/or load-bearing walls, nor the windows and doors bounding the Suites. A Suite Owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain sheetrock, paneling, paint, repaint, tile, wax, paper, or otherwise finish and decorate the surfacing materials on the interior of exterior walls and on window screens; and all appurtenant installations, including all pipes, ducts, wires, cables, and conduits used in connection therewith, for services such as power, light, telephone, sewer, water, heat and air conditioning, whether located in the boundaries of the Suite or in common areas, which are for the exclusive use of the Unit; and all ceilings and partition walls. A Suite Owner shall have the exclusive right and duty to wash and keep clean the interior surfaces of windows and doors bounding his Suite.

5.10 **Changes.** The Developer reserves the right to change the interior design and arrangement of any and all Suites owned by it. The Developer further reserves the right to alter the boundaries between Suites, which said change shall be reflected by an amendment of this Declaration and shall be known as a Special Declarant Right, which may be executed by the Developer alone, notwithstanding the procedures for amendment described herein. However, no such change of boundaries shall increase or decrease the number of Suites, nor alter the boundaries of the Common Elements without amendment of this Declaration in the manner described herein. If the boundaries of more than one (1) Suite are altered, the Developer shall appropriately reapportion the shares of the Common Elements which are allocated to the altered Suites; provided, however, the Special Declarant Right granted by this section must be exercised on or before ten (10) years from the date of the recording of this Declaration in the Office of the Judge of Probate of Lee County, Alabama. No assurance is made concerning whether or not any Suite will be or will not be changed by the Developer nor is any assurance made concerning the nature, character, or quality of said change. The exercise by the Developer of the Special Declarant Right to change a Suite does not obligate the Developer to exercise said right in any one or all of any other Suite in the Condominium.

5.11 **Common Elements.** Any right, title or interest in a Suite shall automatically carry with it as an appurtenance and without the necessity of specific reference thereto its respective undivided share of the Common Elements and a right to use the Common Elements in conjunction with the other Owners. The Common Elements of the Condominium are all portions of the Condominium other than the Suites and will include the common areas and facilities located substantially as shown on the Plans and Plat. Such common areas and facilities will include the following:

- A. All of the Real Property.
- B. All improvements and parts of the Real Property which are not a Suite or Private Element.
- C. Gathering area and lounge and open air veranda.
- D. All parking areas, driveways and other means of ingress and egress.
- E. The mechanical systems and installations providing service to a Building, or to any Suite, such as electrical power, gas, light, hot and cold water, heating and air conditioning, sanitary and storm sewer facilities, and including all lines, pipes, ducts, flues, chutes, conduits, cables, wires and all other apparatus and installations in connection therewith, whether located in the Common Elements or in the Suites, except when situated entirely within a Suite for service only of that Suite.
- F. All tangible personal property required for the maintenance and operation of the Condominium and for the common use and enjoyment of the Suite Owners.
- G. All foundations, slabs, columns, beams and supports of the Building and such component parts of exterior walls and walls separating Suites, roofs, floors, and ceilings as are not described herein as Private Elements.
- H. Lawn areas, landscaping, walkways, sidewalks, curbs and steps.
- I. Exterior steps, ramps, handrails, stairs and stairwells.
- J. All tanks, pumps, pump houses, wells, motors, fans, compressors and control equipment, fire lighting equipment, elevator equipment, and garbage equipment which are not reserved for the use of certain Owners.
- K. All area, outdoor and exterior lights not metered to individual Suites and supports and all entrance and related type signs.
- L. The Suite entry ways and stoops affixed to each Suite, even though designated as Limited Common Element.

- M. All other parts of the Condominium Property existing for the common use or necessity of the existence, maintenance and safety of the Condominium.
- N. All other items listed as such in the Act.

5.12 **Limited Common Elements.** The Limited Common Elements located on the Property and the Suite to which they are assigned are as follows:

The area above the upper surface of the ceiling of the Suite and the area within the interior and exterior walls of the Suite which contains plumbing lines, electrical and heating and air conditioning duct and similar mechanical or electrical systems. The maintenance, repair and upkeep of systems and services and equipment within said area shall be the responsibility of the Association unless due to damage caused by the Suite Owner to which the Limited Common Element is appurtenant. Notwithstanding the above, equipment installed within the Limited Common Elements by Suite Owners shall remain the responsibility of said Owners for maintenance, repair and/or replacement.

## VI. COMMON ELEMENTS

6.01 **Ownership.** A schedule setting forth the percentage of undivided interest of each Suite in the Common Elements is attached hereto, marked "Exhibit D" and by reference made a part hereof. The percentage of undivided interest of each Suite in the Common Elements is determined by dividing the square footage of the unit by the total square footage of the gross building area (\_\_\_\_\_square feet). For purposes of percentage of ownership in the Common Elements, percentage of Common Expenses, and percentage of Common Surplus, and voting on all matters requiring Action by the Owners, the percentages as set out on Exhibit D shall govern. The ownership interest in the Common Elements shall be an undivided interest, and except as provided in the Act and this Declaration shall remain undivided. No Owner shall bring any Action for partition or division of the Common Elements. The ownership interest in the Common Elements shall not be conveyed, transferred, encumbered or otherwise affected separate from the ownership of the Suite, and any agreement to the contrary shall be void. Each Owner, and the holder of any Mortgage or lien on or other interest in any Suite, shall be deemed by the acceptance of a conveyance of, title to, or Mortgage or lien on such Suite, to have agreed and consented, within the meaning of this Declaration and the Act to such change or changes in the Suite's interest in the Common Elements and Common Surplus and each Suite's share of the Common Expenses as may result from the addition, if any, of further phases, and to have so agreed and consented to any amendment or amendments to this Declaration effectuating the same.

6.02 **Use.** Each Owner shall have the right to use the Common Elements to include the conference lounge and veranda, except any portions thereof designated as a Limited Common Element and restricted to the exclusive use of and as an appurtenance to a Suite and subject to any portion subject to leases made by or assigned to the Board in conjunction with the Owners of other Suites as may be required for the purposes of access, ingress to, egress from, use, occupancy, and enjoyment of the Condominium Property. The right to use the Common Elements shall be subject to and governed by the provisions of the Act, Condominium Documents, and the Rules and Regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions, or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws.

6.03 **Share of Common Expenses and Limited Common Expenses.** Each Owner shall be assessed and is individually liable for a proportionate share of the Common Expenses and the proportionate share of the Common Expenses shall be the same ratio as the Owner's percentage ownership in the Common Elements as the case may be. Payment of Common Expenses shall be in such amounts and at such times as determined in the By-Laws. Assessments shall be collected by the Association on a monthly basis. No Owner shall be exempt from payment of his or her proportionate share of the Common Expenses or Limited Common Expenses by waiver or nonuse or non-enjoyment of the Common Elements or Limited Common Elements, or by abandonment of his Suite. Common Expenses and Limited Common Expenses shall include but shall not necessarily be limited to expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts.

6.04 **Late Payment of Assessments.** Assessments for Common Expenses and Limited Common Expenses, and installments thereon, paid on or before fifteen (15) days after the date when due shall bear no interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest and other costs and expenses, at a rate set by the Board, but not to exceed the maximum legal rate, together with all expenses, including Attorney's fees incurred by the Association in any undertaking to collect such unpaid Assessments and expenses. All payment upon account shall be first applied to such late charges, penalties, interests and other costs and expenses, including Attorney's fees, and then to the Assessment payment due. The Association may, in the manner provided for in the By-Laws, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, By-Laws, and Rules and Regulations of the Association.

6.05 **Liens for Assessments.** The Association is hereby granted a lien upon each Suite and its appurtenant undivided interest in Common Elements and upon the goods, furniture and effects belonging to the Suite Owner and located in such Suite, which lien shall secure and does secure the monies due for all Assessments now or hereafter levied or subject to being levied against the Suite Owner which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Assessment owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Suite and its appurtenant undivided interest in the Common Elements.

6.06 **Priority of Lien.** The Association shall have a lien for nonpayment of Common Expenses as is provided by the Act. In any suit for the foreclosure of a lien for Assessments, the Association shall be entitled to rental from the Owner from the date on which the payment of any Assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said Suite, without notice to the Owner. The rental required to be paid shall be equal to the rental charged on comparable type Suites in the area in which the Condominium is located. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at a rate set by the Board or the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at a rate set by the Board or the Association but in no case shall said interest exceed the maximum legal rate on any such advances made for such purposes. All Persons, firms, corporations or entities who shall acquire, by whatever means, any interest in the ownership of any Suite, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association. A lien for Common Expenses shall not be affected by any sale or transfer of a Suite, except as herein provided. A sale or transfer pursuant

to a foreclosure of a first mortgage or first vendor's lien shall extinguish a subordinate lien for Assessments which became payable prior to such sale or transfer; Provided, however, a sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall not extinguish the lien of the Association to the extent of the Common Expense Assessments based on the periodic budget adopted by the Association pursuant to the Act which would have become due in the absence of acceleration during the six months immediately preceding the institution of an Action to enforce the lien. However, any such delinquent Assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all of the Owners as a Common Expense. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a Suite from liability for, nor the Suite from the lien of, any Assessments made thereafter.

6.07 **Disposition of Surplus.** Each Suite shall carry with it a proportionate share of Common Surplus, as the case may be, and the proportionate share of Common Surplus shall be the same ratio as that Owners' percentage ownership of the Common Elements; or in the alternative, such surplus or any portion thereof may be added to a reserve fund for maintenance, repair, and replacement of the Common Elements, at the sole discretion of the Association.

## VII. THE ASSOCIATION

7.01 **Powers and Duties.** The operation and administration of the Condominium shall be by the Association of the Owners, pursuant to the provisions of the Act. The Association shall be a not for profit Alabama Corporation incorporated by Articles of Incorporation recorded in the Office of the Judge of Probate of Lee County, Alabama. The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or non-exercise of its powers. The Association shall have exclusive authority and power to maintain a class Action and to settle a cause of Action on behalf of Owners of the Condominium with reference to the Common Elements or the Limited 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 Suite; and with reference to any and all other matters in which all the Suite Owners have a common interest. The Association shall have all the powers and duties set forth in the Act, as well as all the powers and duties granted to or imposed on it under the By-Laws and other Condominium Documents as they may be amended from time to time. The Association is specifically authorized to enter into agreements by which its powers and duties, or some of them, may be exercised or performed by some other Person or Persons. The Association shall have a reasonable right of entry upon any Suite to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Development and further, shall have the right to grant permits, license, and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development. The Board shall have the authority and duty to levy and enforce the collection of general and specific Assessments for Common Expenses and Limited Common Expenses and is further authorized to provide adequate remedies for failure to pay such Assessments.

7.02 **Name.** The name of the Association shall be **CORNERSTONE OWNERS ASSOCIATION.**

7.03 **Members.** Each Suite Owner shall be a Member of the Association as long as he or she is a Suite Owner. An Owner's membership shall immediately terminate when he or she



ceases to be a Suite Owner. The membership of a Suite Owner cannot be assigned or transferred in any manner except as an appurtenance to the Suite.

7.04 **Voting Rights.** Each Suite shall be entitled to one (1) vote, which vote is not divisible. The total number of votes is five (5). The vote for a Suite shall be cast by the Owner thereof in the manner provided for herein and in the By-Laws. However, should the Association be an Owner, it shall not have the voting right for that Suite.

7.05 **Designation of Voting Representative.** In the event a Suite is owned by one (1) Person, his right to vote shall be established by the record title to the Suite. If a Suite is owned by more than one (1) Person, the Person entitled to cast the vote for the Suite shall be designated by a certificate signed by all of the record Owners of the Suite and filed with the Secretary of the Association. If a Suite is owned by a corporation, partnership, limited partnership, or limited liability company, the officer, employee or individual entitled to cast the vote for the Suite shall be designated by a certificate of appointment signed by the president or vice president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation) or by the general partner or partners if more than one (in the case of a partnership or limited partnership) or the managing member if a limited liability company, which certificate shall be filed with the secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a Suite owned by more than one (1) Person or by a corporation, partnership, limited partnership or limited liability company, the membership or vote of the Suite concerned may be cast in accordance with the Act. Such certificate shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the Suite concerned is effected. A certificate designating the Person entitled to cast the vote of a Suite may be revoked by any Owner thereof.

7.06 **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 in any manner except as an appurtenance to the Suite.

7.07 **Board of Directors.** The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than five (5) as shall, from time to time, be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the Members.

7.08 **Indemnification.** Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including counsel fees, 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; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

7.09 **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 or upon the common elements, or by other Owners or Persons.

7.10 **By-Laws.** The Association and its Members shall be governed by the By-Laws.

7.11 **Proviso.** Subject to the provisions herein, until the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Suites which may be created to Suite Owners other than the Developer; (ii) two (2) years after the Developer, its successors or assigns have ceased to offer Suites for sale in the ordinary course of business; or (iii) two (2) years after any Development Right to add new Suites was last exercised, the By-Laws and rules adopted by the Developer shall govern and the Developer shall have the exclusive right to appoint, remove, and designate the officers and members of the Board of Directors, and neither the Suite Owners nor the Association nor the use of the Condominium Property by Suite occupants shall interfere with the completion of the contemplated improvements and the sale of the Suites. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board, but, in that event, the Developer may require, for the duration or the period of developer control, that specified Actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective. Provided, however, not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Suites to Owners other than the Developer, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Suite Owners other than the Developer. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Suites which may be created to Suite Owners other than the Developer, not less than twenty-five percent (25%) of the members of the Board must be elected by Owners other than the Developer. Except as provided for in the Act, not later than the termination of any period of Developer control, the Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Owners other than the Developer.

The Developer may make such use of the unsold Suites and of the Common Elements and facilities as may facilitate such completion and sale, including but not limited to showing of the property and the display of signs. The Developer may maintain sales offices, management offices, leasing and operation offices, and models in any Suite of the Condominium or on Common Elements in the Condominium without restriction as to the number, size, or location of said sales offices, management offices, leasing and operations offices, and models. The Developer shall be permitted to relocate said sales offices, management offices, leasing and operations offices, and models from one Suite location to another or from one area of the Common Elements to another area of the Common Elements in the Condominium. The rights of the Developer as provided for in this paragraph shall cease and terminate ten (10) years from the date of the recording of this Declaration in the Office of the Judge of Probate of Lee County, Alabama.

7.12 **Contracts.** If entered into before the Board elected by the Owners pursuant to the Act takes office, any management contract, employment contract, or lease of recreational or parking areas or facilities and any other contract or lease between the Association and the Developer may be terminated without penalty and upon not less than ninety (90) days notice to the other party by the Association at any time after the Board elected by the Owners pursuant to the Act takes office.

7.13 **Availability of Records.** The Association shall keep financial records sufficiently detailed to enable the Association to comply with the Act. The Association shall make reasonably available in the county where the Condominium is located for examination by Owners, prospective

purchasers, first mortgagees and insurers of first mortgagees of any Suite, or their authorized agents, current copies of the declaration, By-Laws, Rules and Regulations and other books, records, financial statements and the most recent annual financial statement of the Association. Reasonably available shall mean available for inspection upon request during normal business hours or under reasonable circumstances.

7.14 **Reserves for Replacements.** The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Elements and Limited Common Elements. The fund shall be maintained out of regular Assessments for Common Expenses and Limited Common Expenses.

## VIII. MAINTENANCE

8.01 **Maintenance by the Association.** The Association is responsible for maintenance, repair, and replacements of the Common Elements.

8.02 **Maintenance by Suite Owner.** Each Suite Owner is responsible for the maintenance, repair, and replacement of his Suite. Each Suite Owner is responsible for the maintenance, repair and replacement of the Limited Common Elements, if any, attached to his Suite as provided in Paragraph 5.11 above.

8.03 **Addition, Alteration and Improvement of the Common Elements.** Except as may be prohibited by the Act, and except as to the Development Rights and Special Declarant Rights provided for in this Declaration, after the completion of the improvements included in the Common Elements or Limited Common Elements which are contemplated by this Declaration, there shall be no addition, alteration, change, or further improvement of Common Elements or Limited Common Elements (except by development of additional phases as elsewhere provided herein) without prior approval of the Association.

8.04 **Suite Owner's Covenants.** Each Suite Owner covenants and agrees as follows:

A. To perform all maintenance, repairs and replacements that are the Suite Owners' obligations under this Declaration and the Act.

B. To pay for all the Suite Owner's utilities, including power, telecable and telephone used within the Suite and all taxes levied against the Suite Owner's Suite.

C. Not to make, or cause to be made, any repairs, to any plumbing, heating, ventilation or air conditioning systems located outside the Suite Owner's Suite but required to be maintained by the Suite Owner pursuant to the provisions hereof, except by properly insured and licensed plumbers or electricians authorized to do such work by the Association or its agent.

D. Not to make any addition or alteration to a Suite or to the Common Elements or to the Limited Common Elements or to do any Act that would impair the structural soundness or safety of any part of the Condominium Property. Structural alterations within a Suite may be made only with the written consent of the Association.

E. To make no alterations, additions, improvements, repairs, replacements, or changes to the Common Elements or the Limited Common Elements or to any outside or exterior portion of the Building, specifically including, but not limited to screening or enclosing balconies,

installing exterior doors or affixing shutters to windows, without the prior written consent of the Association. If consent is granted, the Suite Owner shall use only a licensed contractor who shall comply with the Rules and Regulations with respect to the work which may be adopted by the Association. The Suite Owner shall be liable for all damages to another Suite and to the Common Elements or Limited Common Elements caused by any contractor employed by such Suite Owner or by the subcontractor or employees of such contractor, whether said damages are caused by negligence, accident or otherwise.

F. To allow the Association, its delegates, agents, or employees at all reasonable times to enter into any Suite or Limited Common Element for the purpose of maintaining, inspecting, repairing, or replacing Common Elements or Limited Common Elements or for repairing, maintaining or replacing any plumbing, heating, ventilation or air conditioning system located within such Suite but serving other parts of the Condominium Property; or to determine, in case of emergency, the circumstances threatening Suites or Common Elements or Limited Common Elements and to correct the same; or, to determine compliance with the provisions of the Condominium Documents.

G. To promptly report to the Association any defects or needed repairs for which the Association is responsible.

H. To reimburse the Association for any repairs or replacements of the Condominium Property which are made necessary because of abuse or negligent use by a Suite Owner, their agents, family members, invitees or licensees. The costs of such repair or replacement may be assessed against such Suite Owner.

I. To comply with all of the obligations of a Suite Owner under the Act.

8.05 **Contracts for Maintenance.** The Association may enter into a contract with any firm, Person or corporation, or may join with other entities in contracting for the maintenance and repair of the Condominium Property, and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by the Condominium Documents to have the approval of the Members of the Association. This paragraph shall be subject to the provisions of Paragraph 7.12 above.

8.06 **Exterior Surface.** The Association shall determine the exterior color scheme of the Condominium Property and shall be responsible for the maintenance thereof, except as may be otherwise provided for herein. No Owner shall paint any exterior surface or add or replace anything thereon or affix thereto without the written consent of the Association. Owners shall not affix or attach pictures, flags or banners to windows and/or glass sliding doors that may be seen from streets or parking areas.

8.07 **Exterior Furnishings.** The color schemes of all Exterior furniture and accessories on Exterior decks and balconies shall be approved by the Board prior to placement.

## IX. INSURANCE

9.01 **Purchase of Insurance.** Commencing not later than the time of the first conveyance of a Suite to a Person other than the Developer, the Association shall maintain

insurance upon the Condominium Property to the extent reasonably available as provided for in the Act and as follows.

9.02 **Location of Policies.** The Association shall retain the original of all insurance policies in a place of safe keeping such as a safe or a safety deposit box.

9.03 **Copies to Mortgagees.** One copy of each insurance policy and of all endorsements thereto shall be furnished by the Association to any first Mortgagee requesting a copy.

9.04 **Authorization to do Business.** All policies of insurance must be issued by companies specifically authorized by the laws of the State of Alabama to transact such business.

9.05 **Coverage.** The Association is required to maintain the following insurance coverage:

A. **Property and Casualty.** The Association must obtain, maintain and pay the premiums upon, as a Common Expense, the property insurance required by the Act and as follows. The type of policy shall be a "master" or "blanket" type policy of property insurance covering all of the Common Elements and Limited Common Elements (except land, foundation, excavation, and other items usually excluded from coverage) including fixtures and equipment to the extent they are part of the Common Elements and Limited Common Elements of the Condominium Property, building service equipment, furniture and supplies and other personal property belonging to the Association. All references herein to a "master" or "blanket" type of policy of property insurance are intended to denote single entry Condominium insurance coverage. In addition, any fixtures, equipment, or other Property within the Suites which are to be financed by a first Mortgagee (regardless of whether or not such Property is a part of the Common Elements) must be covered by such "master" or "blanket" policy, if required by said first Mortgagee. The policy shall be in an amount deemed appropriate by the Association but not less than the greater of eighty percent (80%) of the Actual cash value of the insured Property at the time the insurance is purchased or such greater percentage of such Actual cash value as may be necessary to prevent the applicability of any coinsurance provision at any renewal date, exclusive of land, excavation, foundation, and other items normally excluded from property policies. The policy shall include an "Agreed Amount Endorsement" or its equivalent and, if available, an "Inflation Guard Endorsement." If there shall be a construction code provision that requires changes to undamaged portions of the Condominium Property even when only part of the project is destroyed by an insured hazard, the policies shall include construction code endorsements. The property insurance policy shall provide, as a minimum coverage and protection against:

(1) Loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement.

(2) All other perils which are customarily covered with respect to condominiums similar in construction shall be obtained so as to meet the requirements of the Act.

B. **Liability Insurance.** The Association must obtain, maintain and pay the premiums upon, as a Common Expense, a comprehensive general liability insurance policy, including medical payments insurance, as required by the Act and covering all the Common Elements, space owned and leased by the Association, and public ways of the Condominium. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be, if

reasonably available, for at least one million dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, if reasonably available, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association. This policy shall also include, if reasonably available, coverage for protection against water damage liability and, if applicable, elevator collision and garage keepers liability. If required by any first mortgage holder, and if reasonably available, the policy shall include protection against such other risks as are customarily covered with respect to Condominiums similar in construction, location and use, including but not limited to host liquor liability, employers liability insurance, contractual and all written contract insurance and comprehensive automobile liability insurance.

C. **Flood Insurance.** If any part of the Condominium Property shall be deemed to be in a special flood hazard area, as defined by the Federal Emergency Management Agency or other governmental agency, the Association shall, if reasonably available, obtain, maintain, and pay the premiums upon, as a Common Expense, a "master" or "blanket" type of flood insurance policy. The policy shall cover the Common Elements falling within the designated flood hazard area. The insurance shall be in an amount deemed appropriate by the Association, but not less than an amount equal to the lesser of:

(1) Eighty percent (80%) of the Actual cash value of the insured property located within the flood hazard area; or

(2) The maximum coverage available for the Property under the National Flood Insurance Program. The policy shall be in a form which meets the criterion set forth in the most current guidelines issued on the subject by the Federal Government.

D. **Personnel Coverages.** Should the Association employ personnel, all coverages required by law, including workman's compensation, shall be obtained so as to meet the requirements of the law.

E. **Fidelity Bonds.** The Association, if reasonably available, shall obtain, maintain and pay the premiums upon, as a Common Expense, a fidelity bond to protect against loss of money by dishonest Acts on the parts of all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of the Association or funds administered by the Association. Where a management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond shall name the Association as the obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than one hundred and fifty percent (150%) of the estimated annual Common Expenses. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of the "employees," or similar terms or expressions. The premiums on all bonds required herein to be maintained by the management agent shall be paid by the management agent from the funds of the Association. The bond shall provide that any first Mortgagee shall receive notice of cancellation or modification of the bond.

F. **Other Insurance.** The Association shall obtain other insurance required by the Act and shall have authority to obtain such other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable. The premiums for such insurance shall be a Common Expense.

If the Insurance described above which is required to be maintained, is not reasonably available, the Association promptly shall give notice of that fact to be hand delivered or sent prepaid by United States Mail to all Suite Owners.

9.06 **Individual Insurance.** Nothing contained herein shall be construed to prevent a Suite Owner from obtaining insurance for his own benefit.

9.07 **Provisions.** Insurance coverage, if reasonably available, must comply with the requirements of the Act and this Declaration and shall in substance and effect:

A. Provide that the policy shall be primary, even if the Owner has other insurance that covers that same loss, and further provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, pro-ratio or contribution by reason of any other insurance obtained by or for any Owner.

B. Contain no provision relieving the insurer from liability for a loss occurring because the hazard to such Building is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other Act or neglect by the Association or any Owner or any other Persons under either of them.

C. Provide that such policy may not be canceled or substantially modified and the insurer may not refuse to renew said policy (whether or not requested by the Association) except by the insurer giving at least thirty (30) days prior written notice thereof to the Association, the Owner, each holder of a first mortgage on an individual Suite, and every other Person in interest who shall have requested such notice of the insurer.

D. Contain a waiver by the insurer of any right of subrogation to any right of the Association, or either against the Owner or lessee of any Suite.

E. Contain a standard Mortgagee clause which shall:

(1) Provide that any reference to a Mortgagee in such policy shall mean and include all holders of mortgages of any Suite, whether or not named herein; and

(2) Provide that such insurance, as to the interest of any Mortgagee, shall not be invalidated by any Act of neglect of the Association, Suite Owners or any Persons under any of them; and

(3) Waive any provisions invalidating such Mortgagee clause by reason of the failure of the Mortgagee to notify the insurer of any hazardous use or conveyance, any requirement that the Mortgagee pay any premium thereon, and any contribution clause.

9.08 **Liabilities and Responsibilities of Suite Owner.** An Owner shall be liable for any claim, damage, or judgment entered as a result of the use or operation of his Suite caused by his conduct. Each Owner shall be responsible for obtaining insurance for his own benefit.

9.09 **Insurance Premiums.** Insurance premiums maintained by the Association shall be paid by the Association as a Common Expense. Should the Association fail to pay such insurance premiums when due, or should the Association fail to comply with other insurance requirements of a Mortgagee, the Mortgagee shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance. To the extent of any money so advanced, the Mortgagee shall be subrogated to the Assessment and the lien rights of the Association and against the individual Owners for the payment of such item of Common Expense.

9.10 **Insurance Trustee: Share of Proceeds.** All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their Mortgagees as their interest may appear, and shall provide that all proceeds covering Property losses shall be paid to the Association, as Insurance Trustee for each of the Owners in the percentages as 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 purpose elsewhere stated herein and for the benefit of the Owners and their Mortgagees. The Insurance Trustee shall have the power to adjust all claims arising under insurance policies purchased by the Association; to bring suit thereon in its name and/or in the name of other insured; to deliver releases on payment of claims; to compromise and settle such claims; and otherwise to exercise all the rights, powers, and privileges of the Association and each Owner and any other holder of an insured interest in the Condominium Property under such insurance policies, however, the Actions of the Insurance Trustee shall be subject to the approval of any first Mortgagee if the claim shall involve more than one Suite, and only if one Suite is involved, such Actions shall be subject to approval of any first Mortgagee holding a mortgage and encumbering such Suite.

9.11 **Shares of Proceeds.** The Association as Insurance Trustee shall receive such insurance proceeds as are paid to it and shall hold the same in trust for the purposes stated herein and for the benefit of the Owners and their Mortgagees in the following shares:

A. **Common Elements.** An undivided share of the proceeds on account of damage to Common Elements shall be held for each Owner, which such share's portion of the total proceeds being the same percentage as the share of the Common Elements appurtenant to his Suite.

B. **Suites and Limited Common Elements.** Except as provided elsewhere in this Declaration,

(1) When the Condominium Suite Property is to be restored, the proceeds shall be held for the Suite Owners of damaged Suites and damaged Limited Common Elements, with the share of each in the total proceeds being in the proportion that the cost of repairing the damage suffered by such Suite Owner bears to the total cost of repair, which cost shall be determined by the Board.

(2) When the Condominium Property is not to be restored, the proceeds shall be held for the Owners in the undivided shares that are the same as their respective shares in the Common Elements.

C. **Mortgagees.** In the event a Mortgagee endorsement has been issued with respect to a Suite, the share of the Owner of that Suite shall be held in trust for the Mortgagee and



the Suite Owner as their interest may appear; provided, however, that no Mortgagee shall have any right to determine or participate in the determination of whether or not any damaged Property shall be reconstructed or repaired except as may be specifically provided to the contrary elsewhere in this Declaration.

9.12 **Distribution of Proceeds.** Proceeds of insurance policies received by the Association as Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners:

A. **Reconstruction or Repair.** First, if the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, with remittances to Owners and Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Suite and may be enforced by any such Mortgagee.

B. **Failure to Reconstruct Repair.** If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners with remittances to Suite Owners and their Mortgagee being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Suite and may be enforced by any such Mortgagee.

#### X. RECONSTRUCTION OR REPAIR AFTER CASUALTY

10.01 **Determination to Reconstruct or Repair.** Any portion of the Condominium for which insurance is required under this Declaration which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- A. The Condominium is terminated in accordance with the Act.
- B. Repair or replacement would be illegal under any state or local statute or ordinance covering health or safety; or
- C. Owners of Eighty percent (80%) of the Condominium voting interest vote not to rebuild. The cost of repair or replacement of a Common Element in excess of insurance proceeds and reserves is a Common Expense as provided in this Declaration.

10.02 **Plans.** Any reconstruction or repair must be substantially in accordance with the Act and in accordance with the Plans for the original improvements or as the Condominium Property was last constructed; or if not, then according to Plans approved by the Board of Directors of the Association and by one hundred percent (100%) of the Suite Owners.

10.03 **Responsibility.** If the damage is only to those parts of a Suite or Limited Common Elements for which the responsibility of maintenance and repair is that of the Suite Owner, then the Suite Owner shall be responsible for reconstruction and repair after casualty in a timely manner not to exceed 60 days. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

10.04 **Estimate of Cost.** Immediately after a casualty causing damage to the Condominium 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.

10.05 **Assessments.** If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of the Suite and Limited Common Elements by the Association, Assessments shall be made against the Owners who own the damaged Property or have the exclusive right to use the Limited Common Element attached to his Suite, and against all Owners in the case of damage to Common Elements and facilities in sufficient amounts to provide funds to pay the estimated costs. If any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, Assessments shall be made against the Suite Owners who own the damaged Suite and have exclusive right to use the Limited Common Elements and facilities in sufficient amounts to provide funds for the payment of such costs. Such assessments for reconstruction and/or repair of damage to Suites and Limited Common Elements shall be in proportion to the costs of reconstruction and repair of their respective Suites or Limited Common Elements. Such assessments for reconstruction and/or repair of damage to Common Elements and facilities shall be in proportion to the Owners' share in the Common Elements. Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as provided for Assessments elsewhere herein.

10.06 **Construction Funds.** The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible, which shall consist of proceeds of insurance held by the Association as Insurance Trustee and funds collected by the Association from Assessment against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

A. **Disbursement.** The construction fund shall be disbursed in payment of such costs on the order and in the manner provided by the Board or the Association.

B. **Suite Owner.** If there is a balance of insurance proceeds after the payment of the costs of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to Suite Owners of damaged Suites or damaged Limited Common Elements who are responsible for the reconstruction and repair of the damaged portions of their Suites or Limited Common Elements. The distribution to each Suite Owner shall be made in the proportion that the estimated costs of reconstruction and repair of such damage to his Suite or Limited Common Element bears to the total of such estimated costs in all damaged Suites and Limited Common Elements. However, no Suite Owner shall be paid an amount in excess of such estimated cost for his Suite or Limited Common Element. If there is a first Mortgagee, the distribution shall be paid to the Suite Owner and to the first Mortgagee jointly.

C. **Surplus.** It shall be presumed that the first monies distributed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund.

## XI. EMINENT DOMAIN

11.01 **Proceeds.** The taking of a portion of a Suite or of the Common Elements by eminent domain shall be deemed, for purposes of determining use of proceeds, to be a casualty and the determination as to whether the Condominium will be reconstructed or repaired or

continued after condemnation will be determined in the manner provided for in the Act and under Reconstruction or Repair after casualty and the awards for such taking shall be deemed proceeds from insurance on account of the casualty and shall be deposited with the Association as Insurance Trustee. Even though the awards may be payable to an Owner, the Owner shall deposit the awards with the Association as Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association an Assessment shall be made against a defaulting Owner in the amount of his award, or the amount of such award shall be set off against the sums hereafter made payable to such Owner.

11.02 **Disbursement of Funds.** If the Condominium is terminated after condemnation, the proceeds of the condemnation awards for disbursement purposes will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements. If the Condominium is not terminated after condemnation, the size of the Condominium Property will be reduced and the Property damaged by the taking will be made usable in the manner provided by the Act and as provided below. The proceeds of such award shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Association after damage to the Common Elements.

11.03 **Suite Reduced but Habitable.** If the taking reduces the size of a Suite and the remaining portion of the Suite can be made habitable, the award for the taking of a portion of the Suite shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

A. **Restoration of Suite.** The Suite shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Suite does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, at the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against the Suite Owner as an Assessment.

B. **Distribution of Surplus.** The balance of the award, if any, shall be distributed to the Owner of the Suite and to any first Mortgagee of a Suite, the remittance being made payable jointly to the Suite Owner and any such first Mortgagee.

C. **Adjustment of Shares in Common Elements.** If the floor area of the Suite is reduced by the taking, then the percentage representing the share in the Common Elements, the Common Expenses and the Common Surplus appertaining to the Suite shall be reduced in accordance with the Act.

11.04 **Suite Made Unhabitable.** If the taking is of the entire Suite, or so reduces the size of the Suite such that it cannot be used practically or lawfully for any purpose permitted by the Declaration, the award for the taking of the Suite shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium.

A. **Payment of Award.** The award shall be paid first to any first Mortgagee in an amount sufficient to pay off its mortgage on such Unit; and then jointly to the Suite Owner and other Mortgagees of the Suite in an amount not to exceed the market value of the Condominium parcel immediately prior to the taking as diminished by any sums from the award previously reserved for any first Mortgagee; and the balance, if any, to the repairing and replacing of the Common Elements damaged by the taking.

B. **Addition to Common Elements.** The remaining portion of the Suite, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Owners in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required in this Declaration for further improvement of the Common Elements.

C. **Adjustment of Shares in Common Elements, Common Expenses, and Common Surplus.** The shares in the Common Elements, the Common Expenses, and the Common Surplus appurtenant to the Suites that continue as part of the Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Owners. This adjustment shall be done by restating said share of the continuing Owners as percentages aggregating one hundred percent (100%) so that the shares appurtenant to the continuing Owners shall be in the same proportions to each other as before the adjustment.

D. **Assessments.** If the balance of the award (after payments to the Owner and such Owners' Mortgagees as above provided) for the taking is not sufficient to finance the alteration of the remaining portion of the Suite for use as part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all the Owners who will continue as Owners after the changes in the Condominium effected by the taking. Such Assessments shall be made in proportion to the shares of those Owners in the Common Elements after the changes effected by the taking.

E. **Arbitration.** If the market value of a Condominium parcel prior to the taking cannot be determined by agreement between the Owners, Mortgagees of the Suite, and the Association within thirty (30) days after notice by either party, the value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination on an average of their appraisals of the Condominium parcels; and a judgment of specific performance on the decision rendered by the arbitrators may be entered into any court of competent jurisdiction. The cost of arbitration proceedings shall be assessed against all Owners prior to the taking in proportion to the shares of the Owners in the Common Elements as they exist prior to the changes effected by the taking.

11.05 **Taking of Common Elements.** Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, after adjustment of these shares on account of the condemnation, except that if a Condominium parcel is encumbered by a first mortgage, the distribution shall be paid jointly to the Owner and the first Mortgagee of the Condominium parcel.

11.06 **Conflict with Act.** If there is any conflict with the provisions of this article and the Act, the provisions of the Act shall control.

## XII. USE RESTRICTIONS

The Use of the Condominium Property shall be in accordance with the provisions of this Declaration and with the following provisions so long as the Condominium exists.

12.01 Suites.

- A. Each Condominium Suite shall be occupied for residential purposes only.
- B. Each Parking Space shall be for personal and Suite rental use only and shall not be used for any commercial purposes.

12.02 Miscellaneous Restrictions.

- A. Nothing shall be stored in or upon the Common Elements or Limited Common Elements without prior consent of the Board except in storage closets or areas or as otherwise herein expressly provided.
- B. Nothing shall be done or kept in any Suite or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Suite Owner shall permit anything to be done or kept in his Suite or in or on the Common Elements which will result in the cancellation of insurance of any Suite or any part of the Common Elements or which will be in violation of any law.
- C. No waste shall be committed in or on the Common Elements.
- D. Each Suite Owner shall provide and maintain garbage and trash receptacles as may be directed by the Board, and all garbage and trash shall be kept in said receptacles.
- E. No Suite Owner, occupant or guest of Suite Owners or occupant shall disturb or annoy other occupants of the Condominium Property nor shall any occupant or Suite Owner commit or permit any nuisance, noxious, offensive, immoral or illegal Act in his Suite or on the Condominium Property. Any person violating this provision will be removed from the property by proper legal authority.
- F. No sign of any kind shall be displayed to the public view on or from any Suite or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent Acting in accordance with the Board's direction; provided, however, the Owner of the Condominium Suite may display a name sign adjacent of his Suite so long as said sign complies with reasonable Rules and Regulations imposed by the Association and regulations of all governmental bodies having jurisdiction thereof.
- G. Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.
- H. No structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof.
- I. Parking of vehicles in driveways and Parking Areas shall be subject to the Rules and Regulations of the Board applicable thereto.

J. Except within individual Suites, no planting, transplanting, or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board.

K. Motorcycles, motor bikes, motor scooters, or other similar vehicles shall not be operated within the Property except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Property so as to annoy or disturb persons or endanger persons or Property.

L. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

M. 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 Condominium Property concerned.

N. Neither the Board nor the Association shall take or permit to be taken any Action that unlawfully discriminates against one or more Owners.

12.03 **Pets.** No animals or pets of any kind shall be kept in any Suite or Property of the condominium with the exception of those pets owned by the deeded Suite Owner or those required for the assistance of the visual/hearing impaired. Pets of guests or occupants other than the deeded Suite Owner shall not be allowed in the Suite. Any pets not in accordance with the above guidelines found on the property will be removed by the local legal authority.

12.04 **Use of Common Elements.** The Common Elements shall be used in accordance with this Declaration and only by the Owners and their agents, tenants, family members, invitees, and licensees for access, ingress to, and egress from the respective Suites and Common Area and for such other purposes incidental to the use of the Suites. However, other areas designated for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged, or unreasonably interfered with by any Suite Owner, and shall be subject to any lease, concession, or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

12.05 **Unrestricted Right of Transfer.** The right of an Owner to sell, transfer, or otherwise convey his ownership shall not be subject to any right of first refusal or similar restriction.

12.06 **Leases.** Entire Suites, with Board approval, may be leased by the Suite Owners except to students who are not immediate family members; provided, however, that such lease and the rights of any tenant thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable Rules and Regulations relating to the lease and rental of Suites (including a minimum or maximum number of occupants and rental period) and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board deems appropriate, including eviction. Anything to the contrary notwithstanding, the Developer, and its assigns, retain the right to maintain sales offices, management offices, leasing and operations offices and models on the Condominium Property as provided in Paragraph 7.11 above.

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12.07 **Regulations.** Reasonable regulations concerning the use of the Condominium Property may be made by the Developer and amended from time to time by the Board of Directors of the Association; provided, however, that all such amendments thereto shall be approved by not less than a majority of the votes of the Association before such shall become effective. Members not present at meetings considering such regulations or amendments thereto may express their approval or disapproval in writing. Copies of such regulation or amendment shall be furnished by the Association to all Suite Owners of the Condominium upon request.

12.08 **Parking.** The Board of Directors of the Association may or may not in its discretion assign specific Parking Spaces to the Suite Owners. If an assignment is made, such assignment shall not be recorded in the public records. The Board of Directors of the Association shall have the right to change the assignment of such Parking Spaces from time to time as in its sole discretion it deems advisable.

12.09 **No Restrictions on Mortgaging Suites.** Anything construed in any of the Condominium Documents to the contrary, there shall be no restrictions on the right of an Owner to mortgage his Suite.

### XIII. AMENDMENT

13. This Declaration and the By-Laws of the Association may be amended as provided in the Act.

### XIV. PURCHASE OF CONDOMINIUM Suite BY ASSOCIATION

14.01 **Decision.** The decision of the Association to purchase a Condominium Suite shall be made by the Board of Directors without the approval of the Members except as provided in this Article.

14.02 **Limitation.** If at any time the Association is already the Owner of or has agreed to purchase one or more Condominium Suites, it may not purchase any additional Condominium Suites without the prior written approval of Members holding seventy-five percent (75%) of the votes of those Members eligible to vote thereon, except as provided in this Article. A Member whose Condominium Suite is the subject matter of the proposed purchase shall be ineligible to vote thereon. Notwithstanding the foregoing, however, the foregoing limitations shall not apply to a Condominium Suite either to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent Assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefore does not exceed the amount required for cancellation of such lien. In any event, the Board of Directors or a designee thereof, Acting on behalf of the Association, may only purchase a Condominium Suite in accordance with this Article, or as the result of a sale pursuant to the foreclosure of:

- (1) a lien on the Condominium Suite for unpaid taxes;
- (2) a lien of a mortgage;
- (3) the lien for unpaid Assessments;

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- (4) or any other judgment lien or lien attaching to such Condominium Suite by operation of law.

#### XV. NOTICE OF LIEN ON SUITE

15.01 **Notice of Lien.** A Suite Owner shall give notice in writing to the Secretary of the Association of every lien on his Condominium Suite, other than liens for first mortgages, taxes and special Assessments, within five (5) days after he receives notice of the attaching of the lien.

15.02 **Notice of Suit.** An Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding that may affect the title to his Condominium Suite, with such notice to be given within five (5) days after the Owner obtains knowledge thereof.

15.03 **Failure to Comply.** Failure to comply with this section will not affect the validity of any judicial proceeding.

#### XVI. RULES AND REGULATIONS

16.01 **Compliance.** Each Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the Rules and Regulations applicable to the Condominium Property. Ownership of a Suite subjects the Owner to compliance with provisions of the Declaration, the Articles, the By-Laws, the Rules and Regulations of the Association, and any contracts to which the Association is a party, as well as to any amendments to any of the foregoing. Failure of the Owner to comply therewith shall entitle the Association or other Owners to an Action for damages or injunctive relief, or both, in addition to other remedies provided in the Condominium Documents and the Act.

16.02 **Enforcement.** The Association, through the Board of Directors, is hereby empowered to enforce the Condominium Documents and all Rules and Regulations of the Association by such means as are provided by the Act, including the imposition of reasonable fines (after reasonable notice and opportunity to be heard) from time to time as set forth in the By-Laws. In the event an Owner fails to maintain his Suite in the manner required in the Condominium Documents and any Rules and Regulations of the Association, the Association, through the Board of Directors, shall have the right to assess the Owner of the Suite for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of a Special Assessment therefore as provided in this Declaration. In addition, the Association shall have the right, for itself and its employees and agents, to enter such Owner's Suite and perform the necessary work to effect compliance.

16.03 **Negligence.** An Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his Act, neglect, or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees, or agents, 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 or casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Suite, or the Common Elements. The liability for such increases in insurance rates shall equal five times the first resulting increase in the annual premium rate for such insurance.



16.04 **No Waiver of Rights.** The failure of the Association or any Owner to enforce any covenant, restriction, or other provision of the Act, the Condominium Documents, or any Rules and Regulations adopted pursuant thereto shall not constitute a waiver of the right to do so.

#### XVII. GENERAL PROVISIONS PERTAINING TO MORTGAGES

17.01 **Lender's Notices.** Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Suite number or address, any mortgage holder insurer, or guarantor will be entitled to timely written notice of:

A. Any condemnation or casualty loss that affects either a material portion of the project or the Suite securing its mortgage.

B. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

C. Any proposed Action that requires the consent of a specified percentage of mortgage holders.

17.02 **Blanket Mortgages.** The entire Condominium Property, or some or all of the Suites included therein, may be subjected to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument executed by all of the Owners of the Property or Suites covered thereby. Any Suite included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. Any such mortgage shall provide a method whereby any Owner may obtain a release of his Suite from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the reasonable proportionate share attributable to his Suite of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid. The proportionate share of the mortgage required to be paid for release shall be determined by provisions pertaining thereto stated in the mortgage, or, if the mortgage contains no such provisions, then according to the proportionate share of the common elements of the Condominium attributable to such Suite(s).

#### XVIII. SIGNAGE

18. **Ground Mounted, Tenant Directory, Door Signs.** The Association shall provide a location sign which shall promote the development name and address only. A tenant directory shall be maintained by the Association. Owners may place door and/or wall signage at the entrance to their Suite with Association approval. The Association shall provide guidelines for such signage.

#### XIX. TERMINATION

19. The termination of the Condominium may be effected in accordance with the provisions of the Act and by agreement of Owners to which at least ninety percent (90%) of the votes in the Association are allocated. The agreement shall be evidenced by a written instrument executed in the manner required for a deed and recorded in the public records of Lee County, Alabama. After termination of the Condominium, Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares.

#### XX. COVENANT AGAINST PARTITION

20. There shall be no judicial or other partition of the Condominium Property or any part thereof, nor shall Developer or any Person acquiring any interest in the Property or any part thereof seek any such partition unless the Property has been removed from the provisions of the Act.

#### XXI. MISCELLANEOUS

21.01 **Intent.** It is the intent of the Developer to create a Condominium pursuant to the Act. In the event that the Condominium created by this Declaration shall fail in any respect to comply with the Act, then the common law as the same exists on the filing date of this Declaration shall control, and the Condominium hereby created shall be governed in accordance with the laws of the State of Alabama, the Articles, By-Laws and all other instruments and exhibits attached to or made a part of this Declaration.

21.02 **Covenants, Conditions and Restrictions.** All provisions of the Condominium Documents shall, to the extent applicable and unless otherwise expressly therein provided to the contrary, be perpetual and be construed to the covenants running with the land and with every part thereof and interest therein; and all of the provisions of the Condominium Documents shall be binding on and inure to the benefit of any Owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representative, successors, and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Owners and Occupants shall be subject to and shall comply with the provisions of the Condominium Documents and any Rules and Regulations promulgated thereunder.

21.03 **Severability.** The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration, the Articles, the By-Laws, and the Rules and Regulations of the Association promulgated pursuant thereto, and any exhibits attached hereto, as the same may be amended from time to time, or the Act, or the invalidity in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, sentence, clause, phrase, word or other provision shall not affect the remaining portion thereof.

21.04 **Notice.** The following provisions shall govern the construction of the Condominium Documents, except as may be specifically provided to the contrary herein: All notices required or desired under the Condominium Documents to be sent to the Association may be sent by first class mail to such address as the Condominium may designate from time to time by notice in writing to all Owners. Except as provided specifically to the contrary in the Act, all notices to any Owner shall be delivered in person or sent by first-class mail to the address of such Owner at the Condominium, or to such other address as he may have designated from time to time, in a writing to the Association. Proof of such mailing or personal delivery to an Owner by the Association may be provided by the affidavit of the Person or by a post office certificate of mailing. All notices to the Association or to an Owner shall be deemed to have been given when delivered to the addressee in person or by a post office certificate of mailing.

21.05 **Governing Law.** Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by the Condominium Documents, such dispute or litigation shall be governed by the laws of the State of Alabama.

21.06 **Waiver.** No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

21.07 **Ratification.** Each Owner, by reason of having acquired ownership of his Condominium Suite, whether by purchase, gift, operation of law, or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents and any Rules and Regulations promulgated thereunder are fair and reasonable in all material aspects.

21.08 **Captions.** The captions used in the Condominium Documents are inserted solely as a matter of convenience and reference and shall not be relied on and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

21.09 **Gender.** In this document, all singular words shall connote the plural number as well as the singular and vice versa, and the masculine shall include the feminine and the neuter.

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

IN WITNESS WHEREOF, HAYLEY-FREEMAN CONTRACTING, an Alabama General Partnership, has caused this instrument to be executed on this the 5<sup>th</sup> day of October, 2001.

**HAYLEY-FREEMAN CONTRACTING**

By: Richard R. Hayley  
Richard R. Hayley, General Partner

By: Rick R. Freeman  
Rick R. Freeman, General Partner

**MORTGAGEES ACKNOWLEDGMENT:**

Ausara BANK,  
By: [Signature]  
As Its: VIC PRESIDENT

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LEE COUNTY

STATE OF ALABAMA )  
COUNTY OF LEE )

ACKNOWLEDGEMENT

I, the undersigned authority, a Notary Public in and for the State of Alabama at Large, do hereby certify that Richard R. Hayley, as General Partner for **HAYLEY-FREEMAN CONTRACTING**, 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 the instrument, he, as such General Partner and with full authority, executed the same voluntarily for and as the Act of said company on the day the same bears date.

GIVEN under my hand and seal this the 5th day of October, 2001.

Rina S. Sutton  
NOTARY PUBLIC  
My Commission Expires: 01-03-05

STATE OF ALABAMA )  
COUNTY OF LEE )

ACKNOWLEDGEMENT

I, the undersigned authority, a Notary Public in and for the State of Alabama at Large, do hereby certify that Rick R. Freeman, as General Partner for **HAYLEY-FREEMAN CONTRACTING**, 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 the instrument, he, as such General Partner and with full authority, executed the same voluntarily for and as the Act of said company on the day the same bears date.

GIVEN under my hand and seal this the 5th day of October, 2001.

Rina S. Sutton  
NOTARY PUBLIC  
My Commission Expires: 01-03-05

STATE OF ALABAMA )  
Lee COUNTY )

ACKNOWLEDGEMENT

I, the undersigned authority, Notary Public, in and for said County in said State, do hereby certify that Robert A. Smith, whose name as Vice President of Auburn BANK, 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the Act of said Bank on the day the same bears date.

GIVEN under my hand and seal this the 5th day of October, 2001.

Amanda S. Regan  
NOTARY PUBLIC  
My Commission Expires: MY COMMISSION EXPIRES JULY 31, 2002

THIS INSTRUMENT PREPARED BY:  
James B. Sprayberry  
P.O. Drawer 2429  
Auburn, Alabama 36831-2429  
Telephone: (334) 821-7100

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LEE COUNTY

**CORNERSTONE A CONDOMINIUM**

EXHIBIT "A"	Real Property
EXHIBIT "B"	Plat and Plans
EXHIBIT "C"	Articles of Incorporation and By-Laws
EXHIBIT "D"	Ownership of Common Elements
EXHIBIT "E"	Proposed First Year Budget
EXHIBIT "F"	Rules and Regulations Concerning Use
	(1) Common Areas
	(2) Guests limitations
	(3) Limitations on children's use and restrictions on renting to students
	(4) Parking Spaces
EXHIBIT "G"	General Description of Improvements

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EXHIBIT "A"

CORNERSTONE CONDOMINIUMS

**Cornerstone Condominiums, a Condominium located at 718 North Gay Street, Auburn, Lee County, Alabama**, which has been recorded in Town Plat Book 17, at Page 137, in the Office of the Judge of Probate of Lee County, Alabama and described as follows:

Said property lies in Section 19, Township 19 North, Range 26 East, Lee County, Alabama and is more particularly described as follows: to reach a point of beginning commence at the southwest corner of said Section 19 and run North 58 degrees 41 minutes 09 seconds East, a distance of 3851.74 feet to a spindle found at the southeast corner of Lot 1, Halal Subdivision, as recorded in Plat Book 17, at Page 137, in the Office of the Judge of Probate of Lee County, Alabama; said point being in the west line of North Gay Street; thence North 01 degree 29 minutes 48 seconds East along the west line of said street, a distance of 75.30 feet to a point; thence South 87 degrees 33 minutes 28 seconds East, a distance of 45.83 feet to a found iron pin (Zack Sprayberry) in the east line of said street and the point of beginning of the parcel of land herein described; thence from said POINT OF BEGINNING North 01 degrees 29 minutes 48 seconds East along the east line of North Gay street, a distance of 156.22 feet to a found iron pin (Maxwell); thence leaving said street and run South 89 degrees 19 minutes 00 seconds East, a distance of 296.46 feet to a found half inch crimped pipe; thence South 05 degrees 02 minutes 25 minutes West, a distance of 165.47 feet to a found one and one half inch open top iron pipe; thence North 87 degrees 33 minutes 28 seconds West, a distance of 286.24 feet to the point of beginning. Containing 1.075 acres more or less.

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EXHIBIT "D"  
CORNERSTONE CONDOMINIUMS

Suite #	SQUARE FOOTAGE	PERCENTAGE OWNERSHIP COMMON ELEMENT
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[TO BE SUPPLIED AT A LATER DATE.]

1640 #/unit  
TOTAL:

1/8/unit  
TOTAL: 1.000

COMBO 50 925  
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LEE COUNTY

EXHIBIT "E"

CORNERSTONE CONDOMINIUMS

PROPOSED FIRST YEAR BUDGET (MONTH)

[FIGURES TO BE SUPPLIED AT A  
LATER DATE.]

1.	Utilities	
a.	Electric	\$
b.	Water and Sewer	
c.	Telephone and Cable	
d.	Trash Removal	<u>30/m</u>
2.	Building Operations	
a.	Landscape Maintenance	
b.	Building Maintenance	
c.	Pest Control	
d.	Housekeeping Supplies	<u>100/m</u>
3.	Insurance	
a.	Structural and Liability	<u>22/m</u>
4.	Management and Administration	
a.	Management Fees	
b.	Accounting and Legal	
c.	Taxes, Licenses and Permits	
d.	Office Supplies, Postage, etc.	
e.	Miscellaneous	<u>20/m</u>
5.	Reserves	
a.	Replacement Reserves	
b.	Contingency Reserves	<u>20/m</u>
6.	<del>CAMERON COMMUNITY PERSONNEL</del>	<del>0</del>
	Monthly Total	\$ 192/m
	Yearly Total	\$ 2304/yr

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EXHIBIT "E", Page 2  
CORNERSTONE CONDOMINIUMS  
PROPOSED FIRST YEAR BUDGET (MONTH)

<u>Unit Type</u>	<u>Unit Size</u>	<u>Ownership Percentage</u>	<u>Monthly Assoc. Dues</u>	<u>Quantity</u>	<u>Total</u>
			38.40		

[TO BE SUPPLIED AT A LATER DATE.]

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EXHIBIT "G"

GENERAL DESCRIPTION OF IMPROVEMENTS

718 North Gay St (A-E)

5 Two Story, Two Bedroom, Two full Baths; upstairs  
Half Bath, downstairs

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