

ARTICLES OF INCORPORATION

OF

LAGUNA SANDS CONDOMINIUM OWNERS ASSOCIATION, INC.

WHEREAS, the undersigned incorporators do hereby associate themselves for the purpose of forming a nonprofit corporation under the Alabama Nonprofit Corporation Act, §10-3A-1, et seq., Code of Alabama (1975), as amended, and the Alabama Uniform Condominium Act of 1991, §35-8A-101, et seq., Code of Alabama, (1975), as amended.

AND WHEREAS, the terms used herein shall have the same meaning for each, unless the context otherwise requires, as stated in the Alabama Nonprofit Corporation Act, §10-3A-1, et seq., Code of Alabama (1975), as amended, and the Alabama Uniform Condominium Act of 1991, §35-8A-101, et seq., Code of Alabama (1975), as amended, hereinafter referred to collectively as the "ACTS," and the Declaration of Condominium of Laguna Sands, a Condominium, to be recorded in the public records of Baldwin County, Alabama, hereinafter referred to as the "DECLARATION."

WHEREFORE, the undersigned Incorporators do hereby certify as follows, to-wit:

ARTICLE I

NAME AND ADDRESS

1.01. The name of the corporation shall be Laguna Sands Condominium Owners Association, Inc., an Alabama nonprofit corporation, hereinafter referred to as the "ASSOCIATION," and the address shall be Post Office Box 2330, Gulf Shores, Alabama 36547.

ARTICLE II

PURPOSE

2.01. The Association is hereby organized for the primary purpose of maintaining, operating and managing the condominium project known as Laguna Sands Condominiums, a

942780

condominium located on West Lagoon Avenue, Gulf Shores, Baldwin County, Alabama, and to transact any and all lawful business and to do all things necessary and ancillary in aid of the accomplishment thereof.

ARTICLE III

POWERS

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

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

(1) To enforce the covenants and restrictions contained in the Declaration, and to make, establish, and enforce reasonable rules and regulations governing the operation, administration, management, and use of the Condominium and all portions thereof.

(2) To establish a budget for the operation and management of the Condominium, and to designate those expenses which shall constitute the Common Expenses of the Condominium.

(3) To make, levy and collect assessments against Unit Owners of the Condominium to provide the funds to pay for all Common Expenses of the Condominium as provided for in the Condominium Documents and in the Acts.

(4) To use and expend the proceeds of all assessments in the accomplishment of the purposes of the Association and the proper exercise of its powers and duties.

- (5) To maintain, repair, replace, and operate all portions of the Condominium property which the Association has the duty or right to perform under the Condominium Documents.
- (6) To have access to each Unit during reasonable hours as may be necessary for the maintenance, repair, or replacement of any Common Elements or Limited Common Elements therein or accessible therefrom, or to have immediate access at any time as may be necessary for making emergency repairs or as may be necessary to prevent damage to any other Unit or the Condominium.
- (7) To contract for the management of the Condominium property and to delegate to any agent all or some of the powers, duties, and responsibilities of the Association.
- (8) To employ personnel to perform the services required for proper operation of the Condominium.
- (9) To purchase and maintain all forms of insurance on the Condominium property for the protection of the Association and its Members.
- (10) To make additional improvements on and to the Condominium property.
- (11) To reconstruct the Condominium property after casualty or other loss.
- (12) To approve or disapprove the transfer, mortgage, and ownership of Units to the extent such power is granted to the Association under the Condominium Documents.
- (13) To retain legal counsel at the expense of the Association and to enforce by legal action the provisions of the Condominium Documents and all rules and regulations of the Association.
- (14) To acquire, by purchase or otherwise, Units in the Condominium, and to hold, lease, mortgage, and convey the same as the Association should elect.

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

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

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

(18) To adopt and establish Bylaws for the operation of the Association.

(19) To own, operate, lease, sell, trade, mortgage, or otherwise deal with any property, real or personal, as may be necessary to operate and administer the Condominium.

ARTICLE IV

ASSOCIATION FUNDS AND PROPERTY

4.01. No Dividends. The Association shall pay no dividend, and shall distribute no part of its income or property to its Members, Directors, or Officers; however, the Association may pay compensation in a reasonable amount to its Members, Directors, and Officers for services rendered, and, in accordance with the Acts, the Association may confer benefits on its Members in conformity with the Declaration and the purposes of the Association.

4.02. Distribution Upon Termination. Upon termination, the Association may make such distributions to its Members as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income. All funds and property acquired by the Association and all proceeds therefrom shall be held and used for the benefit of the Members of the Association in accordance with the provisions of the Declaration, these Articles and the Bylaws.

ARTICLE V

MEMBERS

5.01. Qualification. Membership in the Association shall consist only of the Unit Owners in the Condominium, and all such Owners shall be a Member by virtue of being an Owner.

5.02. Certification of Membership. This Corporation shall issue no shares of stock of any kind or nature whatsoever. Evidence of membership shall be the recordation of the Member's deed.

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

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

5.05. Meetings. The Bylaws, subject to any provision therein, shall provide for an annual meeting of Members and for regular and special meetings other than the annual meeting.

5.06. Voting. The Owner of each Unit shall be entitled to the number of votes specified in the Declaration for that Unit and exercised in the manner set forth in the Bylaws.

ARTICLE VI

DIRECTORS

6.01. Number. All property, business, and affairs of the Association shall be managed by a Board of Directors; hereinafter referred to as the "Board," and said Board shall consist of not less

than three (3) nor more than five (5) Members. Except as may otherwise be provided in the Bylaws, each Director shall be either a person designated by the Developer or a Unit Owner.

6.02. Election. Directors may be designated, appointed, elected and removed as provided in the Bylaws and the Acts.

6.03. Authority. The Board shall have the authority to exercise all of the duties and powers of the Association existing under the Acts, the Declaration, these Articles and the Bylaws, subject only to approval by Unit Owners when such approval is specifically required by the Acts, the Declaration, these Articles or the Bylaws. Such authority shall also extend to any agent, contractor, employee, or other person or entity designated by the Board.

6.04. Initial Directors. The Board shall initially consist of three (3) Members who shall hold office until the election or appointment of their successors. The name and address of each said initial Member is as follows, to-wit:

Charles Agee
Post Office Box 2530
Port Aransas, Texas 78373

Slader Agee
4515 Baywood Avenue
Springdale, Arkansas 72762

J. Todd King
1802 North Glenbrook Place
Fayetteville, Arkansas 72701

ARTICLE VII

OFFICERS

7.01. The affairs of the Association shall be administered by Officers in accordance with the Bylaws, and such Officers shall serve until the election or appointment of their successors in accordance with the Bylaws. The name and address of each initial Officer is as follows, to-wit:

Charles Agee - President
Post Office Box 2530
Port Aransas, Texas 78373

Slader Agee - Vice President
4515 Baywood Avenue
Springdale, Arkansas 72762

J. Todd King - Secretary and Treasurer
1802 North Glenbrook Place
Fayetteville, Arkansas 72701

ARTICLE VIII

INCORPORATORS

8.01. The name and address of the Incorporator of the Association is as follows, to-wit:

Charles Agee
Post Office Box 2530
Port Aransas, Texas 78373

ARTICLE IX

REGISTERED OFFICE AND AGENT

9.01. The initial registered office of the Association shall be 204 West Second Street, Bay Minette, Alabama. Mark D. Ryan is the initial registered agent of the Corporation at such address.

ARTICLE X

DURATION

10.01. The duration of the Association shall be perpetual or until properly terminated by the termination of the Condominium in accordance with the terms of the Declaration and the Acts.

EXECUTION

IN WITNESS WHEREOF, the above-named Incorporators have caused this instrument to be duly executed under seal this 14th day of December, 2005.

LAGUNA SANDS CONDOMINIUM
OWNERS ASSOCIATION, INC.

By: Charles Agee
Charles Agee
Its Incorporator

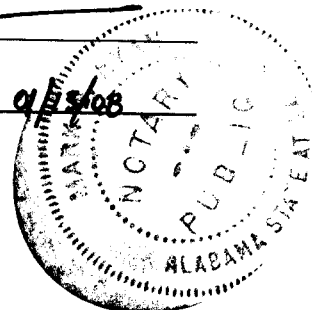
STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that CHARLES AGEE, whose name as Incorporator is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal on this 14th day of December, 2005.

Mark D. Ryan
NOTARY PUBLIC
My Commission Expires: 01/31/08



This Instrument Prepared By:

Mark D. Ryan, P.C.
Post Office Box 1000
Bay Minette, Alabama 36507
(251) 580-0500

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2005 December -14 3:48PM

Instrument Number 942700 Pages 0
Recording 25.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate