

ARTICLES OF INCORPORATION
OF
SUNSET BAY AT BON SECOUR ISLAND VILLAS
CONDOMINIUM OWNERS' ASSOCIATION, INC.
AN ALABAMA NONPROFIT CORPORATION



The undersigned, acting as **Incorporator** does form a corporation under the **Alabama Nonprofit Corporation Act, Ala. Code 1975, §10-3A-1, et seq.**, and the **Alabama Uniform Condominium Act of 1991, Ala Code 1975, §35-8A-101, et seq.**, (collectively referred to in these **Articles of Incorporation** as the "**Acts**") and adopts the following **Articles of Incorporation**;

Article One
Name

The name of this **Corporation** shall be **Sunset Bay at Bon Secour Island Villas Condominium Owners' Association, Inc.** (the "**Association**").

Article Two
Definitions

All terms used in these **Articles of Incorporation** shall have the meaning given for each of them stated in the **Declaration of Condominium of Sunset Bay at Bon Secour Island Villas, a Condominium** (the "**Declaration**"), unless the context otherwise requires, and are incorporated by reference and made a part of these **Articles of Incorporation**. In the event of a conflict between the provisions of the **Declaration, Articles of Incorporation** or **By-Laws**, the **Declaration** prevails, except to the extent the **Declaration** is inconsistent with the **Acts**.

Article Three
Period of Duration

The period of duration of the **Association** is perpetual unless and until legally dissolved.

Article Four
Not for Profit

The **Association** is not organized for pecuniary profit, and the **Association** shall pay no dividend, and shall distribute no part of the income of the **Association** to the **Members, Directors** or officers. Nevertheless, the **Association** may pay compensation in a reasonable amount to the **Members, Directors** and officers for services rendered, and the **Association** may confer benefits on the **Members** of the **Association** in conformity with the **Declaration** and for the purposes of the **Association**. On termination, the **Association** may make distributions to the **Members** of the **Association** 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 properties acquired by the **Association** and the proceeds from said funds and properties shall be held in trust for the **Members** of the **Association** in accordance with the provisions of the **Act, the Declaration** and the **By-Laws** of the **Association**. The **Members** of the **Association** shall not be personally liable for the debts, liabilities or obligations of the **Association**.

Article Five
Purposes

The **Association** is organized for the purpose of administering, maintaining, operating and managing **Sunset Bay at Bon Secour Island Villas, a Condominium** ("**Sunset Bay at Bon Secour Island Villas, a Condominium**"), located in **Baldwin County, Alabama**, according to the **Declaration** and to do all things incident, necessary, convenient, expedient, ancillary or in aid of the accomplishment of the foregoing.

Article Six
Powers

The **Association** shall have all the common law and statutory powers of a **Nonprofit Corporation** and shall have all the powers, duties and authority vested in the **Association** by the **Acts**, the **Declaration** or these **Articles of Incorporation**, including but not limited to the following:

1. To elect and remove officers of the **Association** as provided in the **By-Laws**;
2. To administer the affairs of the **Association** and **Sunset Bay at Bon Secour Island Villas, a Condominium**;
3. To maintain bank accounts on behalf of the **Association** and to designate signatories required on said bank accounts;
4. To acquire, hold, lease, mortgage, subject to a **Security Interest**, or convey real, personal or mixed property, wherever situated, including with limits, **Units** in **Sunset Bay at Bon Secour Island Villas, a Condominium**;
5. To pay the cost of all taxes and utilities assessed against **Sunset Bay at Bon Secour Island Villas, a Condominium** that are not assessed and billed to the **Owners** of individual **Units**;
6. To borrow money on behalf of the **Association** when required in connection with the operation, care, upkeep and maintenance of the **Common Elements**, **Provided, However**, that the consent of at least two-thirds of the votes of the **Members**, obtained at a meeting duly called and held for such purpose in accordance with the provision of the **By-Laws**, shall be required for the borrowing of such money;
7. To estimate the amount of the annual budget and to make, levy, enforce and collect **Assessments** against **Owners** to defray the costs, expenses and losses of **Sunset Bay at Bon Secour Island Villas, a Condominium**, and to provide adequate remedies for failure to pay such **Assessments**;
8. To use the proceeds of **Assessments** in the exercise of the powers and duties of the **Association**;
9. To maintain, repair, replace and operate **Sunset Bay at Bon Secour Island Villas, a Condominium**, including the reasonable right of entry upon any **Unit** to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of **Sunset Bay at Bon Secour Island Villas, a Condominium** and the right to grant leases, permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of **Sunset Bay at Bon Secour Island Villas, a Condominium**;
10. To purchase insurance on **Sunset Bay at Bon Secour Island Villas, a Condominium**, and to purchase insurance for the protection of the **Association** and the **Members**, and the **Directors** and officers of the **Association**;
11. To reconstruct **Improvements** after casualty and to further improve **Sunset Bay at Bon Secour Island Villas, a Condominium**;
12. To make and amend reasonable **Rules and Regulations** respecting the use of **Sunset Bay at Bon Secour Island Villas, a Condominium** and the operation of **Sunset Bay at Bon Secour Island Villas, a Condominium**;

13. To contract for the management of **Sunset Bay at Bon Secour Island Villas, a Condominium** and to delegate to such managing agent or contractor all powers and duties of the **Association** except such as are specifically required by the **Declaration** to have approval of the **Board of Directors** or the membership of the **Association**;
14. To retain attorneys, accountants and other professionals;
15. To employ personnel to perform the services required for proper operation of **Sunset Bay at Bon Secour Island Villas, a Condominium**;
16. To purchase a **Unit** in **Sunset Bay at Bon Secour Island Villas, a Condominium** for the purposes authorized in the **Declaration**;
17. To enforce by legal means the provisions of the **Acts**, the **Declaration**, the **Articles of Incorporation** and **By-Laws** of the **Association**, and the **Rules and Regulations** for the use of **Sunset Bay at Bon Secour Island Villas, a Condominium** or the property of the **Association**. To maintain a class action and to settle a cause of action on behalf of **Owners** with reference to the **Common Elements** and **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 such elements serving only one **Unit**; and to bring an action and to settle the same on behalf of two or more of the **Owners**, as their respective interests may appear, with respect to any cause of action relating to the **Common Elements** or **Limited Common Elements** or more than one **Condominium Unit**; all as the **Board of Directors** deems advisable;
18. To procure such fidelity bonds, as the **Board of Directors** deems advisable, covering officers and employees of the **Association** handling and responsible for the funds and personal property of the **Association**, and to procure liability insurance for **Directors** and officers, if the **Board of Directors** deems it advisable, and the premiums of such bonds and insurance shall be paid by the **Association** as **Common Expense**;
19. The objects and purposes set forth in these **Articles of Incorporation** shall be construed as powers, as well as objects and purposes, and the **Association** shall have and may exercise such powers as if such powers were set forth in full in these **Articles of Incorporation**;
20. The **Association** shall have and may exercise all powers as shall enable the **Association** to do each and every thing necessary, suitable, convenient, expedient or proper for the accomplishment of any or all purposes and the attainment of any or all objects set forth in these **Articles of Incorporation**; and
21. The **Association** shall have and may exercise all powers set forth in any other **Article** of these **Articles of Incorporation**.

Article Seven
Membership and Voting Rights

The **Association** shall issue no shares of stock of any kind or nature whatsoever. Every **Person** or entity who is a record **Owner** of a fee simple interest or undivided fee interest in any **Unit** in **Sunset Bay at Bon Secour Island Villas, a Condominium** shall be a **Member** of the **Association**. The foregoing is not intended to include **Persons** or entities who hold a **Security Interest**, merely as security for the performance of an obligation, unless and until such holder of a **Security Interest** has acquired title to the **Unit** pursuant to foreclosure or any proceeding in lieu of foreclosure and the deed evidencing title has been duly and properly recorded at which time such holder of a **Security Interest** shall become a **Member** and the debtor's membership shall cease, regardless of whether or not there is an outstanding right of redemption to the **Unit**. Membership shall be appurtenant to and may not be separated from the ownership of any **Unit**. The share of a **Member** in the funds or assets of the **Association** cannot be assigned, hypothecated or transferred in

any manner, except as an appurtenance to the **Unit**. The **Members** shall enjoy such qualifications, rights and voting rights as may be fixed in the **Declaration** and in the **By-Laws** of the **Association**.

Article Eight
Board of Directors

The property, business and affairs of the **Association** shall be managed by a **Board of Directors** consisting of a number which is not less than three but not more than, from time to time, shall be determined and fixed by a vote of a **Majority** of the voting rights present at any annual or special meeting of the **Members**. Except as may otherwise be provided in the **Declaration** and in the **By-Laws**, each **Director** may be either a **Person** designated by the **Declarant** or a **Person** entitled to cast a vote in the **Association**. The **Directors** may be designated or elected and removed, and vacancies on the **Board of Directors** shall be filled as provided in the **Declaration** and in the **By-Laws**. All the duties and powers of the **Association** existing under the **Acts**, **Declaration**, these **Articles of Incorporation** and the **By-Laws** shall be exercised exclusively by the **Board of Directors** or the agents, contractors or employees of the **Board of Directors**, subject only to approval of the **Owners** when such approval is specifically required by the **Acts**, the **Declaration**, these **Articles of Incorporation** or the **By-Laws**.

The initial **Board of Directors** shall be composed of three **Directors**. The names and addresses of the three **Directors** of the initial **Board of Directors**, who shall hold office until election or appointment of their successors, are as follows:

<u>Name</u>	<u>Address</u>
Steve H. Bryan	779 Avery Boulevard North Ridgeland, Mississippi 39157
John K. King	779 Avery Boulevard North Ridgeland, Mississippi 39157
Greg Murphey	779 Avery Boulevard North Ridgeland, Mississippi 39157

Article Nine
By-Laws

The **By-Laws** of the **Association** shall be adopted by the **Board of Directors** and may be altered, amended or rescinded in the manner provided in the **By-Laws**.

Article Ten
Officers

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

<u>Name</u>	<u>Office</u>	<u>Address</u>
Steve H. Bryan	President	779 Avery Boulevard North Ridgeland, Mississippi 39157
Greg Murphey	Secretary/ Treasurer	779 Avery Boulevard North Ridgeland, Mississippi 39157

Article Eleven
Indemnification and Limitation of Liability

Every **Director** and every officer of the **Association** shall be indemnified by the **Association** against all expenses and liabilities, or any settlement, including counsel fees, reasonably incurred by or imposed upon each **Director** or officer in connection with any proceeding to which each **Director** or officer may be a party, or in which each **Director** or officer may become involved, by reason of said **Director** or officer being or having been a **Director** or officer of the **Association**, whether or not said **Director** is a **Director** or said officer is an 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 the duties of said **Director** or officer; provided that in the event of a settlement, the indemnification provided for in these **Articles of Incorporation** 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 such officer may be entitled.

A **Director** or officer shall not be liable to the **Association** or the **Members** of the **Association** for money damages for any action taken, or any failure to take action, as a **Director** or officer, except for (i) the amount of a financial benefit received by such **Director** or such officer to which such **Director** or such officer is not entitled; (ii) an intentional infliction of harm by such **Director** or such officer on the **Association** or the **Members**; (iii) a violation of the **Ala. Code 1975, §10-2B-8.33** or any successor provision to such section; (iv) an intentional violation by such **Director** or such officer of criminal law; or (v) a breach of duty of loyalty by such **Director** or such officer to the **Association** or the **Members**. If the **Alabama Business Corporation Act**, or successor statute, is amended to authorize the further elimination or limitation of the liability of a **Director** or officer of a corporation, or to provide greater rights of indemnification for any officer, **Director**, agent or employee of a corporation, then the liability of a **Director** or officer of the **Association**, in addition to the limitations on liability provided for in these **Articles of Incorporation**, shall be limited to the fullest extent permitted by the **Alabama Business Corporation Act** as amended or any successor statute, and the rights of indemnification of such officer, **Director**, employer or agent shall be similarly enhanced to the fullest extent permitted. Any repeal or modification of this **Article Eleven** by the **Members** of the **Association** shall be prospective only and shall not adversely affect any limitation on the liability or rights of indemnification of a **Director** or officer of the **Association** existing at the time of such repeal or modification.

Article Twelve
Incorporator

The name and address of the **Incorporator** of the **Association** is:

Name

Address

**Bon Secour Development, L.L.C.,
an Alabama Limited Liability Company**

**779 Avery Boulevard
Ridgeland, Mississippi 39157**

Article Thirteen
Declarant Control

The **Declarant** shall retain control of the **Association** in accordance with the terms and conditions of the **Declaration**.

Article Fourteen
Registered Office and Agent

The location address of the initial registered office of the **Association** is **16850 County Road 6 Ext., Gulf Shores, Alabama 36542** and the mailing address of the initial registered office of the **Association** is **16850 County Road 6 Ext., Gulf Shores, Alabama 36542**. The name of the initial agent of the **Association** at such address is **Steve H. Bryan**.

Article Fifteen
Amendment

These **Articles of Incorporation** may be amended as provided in the **Acts**, provided that no amendment shall be in conflict with the **Declaration** and provided further that no amendment shall be effective to impair or dilute any rights of any **Members** that are governed by the **Declaration**.

Article Sixteen
Related Party Transactions

No contract or other transaction between the **Association** or any **Person**, firm, association or corporation and no other act of the **Association** shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the **Directors** or officers of the **Association** are directly or indirectly, pecuniarily or otherwise interested in such contract, transaction or other act, or are related to or interested in (either as **Director**, stockholder, officer, employee, member or otherwise) such **Person**, firm, association or corporation. Any **Director** or officer of the **Association** individually, or any firm or association of which any **Director** or officer may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the **Association**, provided that the fact that said **Director** or officer, individually, or such firm or association is so interested, shall be disclosed or known to the **Board of Directors** or a **Majority** of the members of the **Board of Directors** as shall be present at any meeting of the **Board of Directors** or of any committee of **Directors** having the powers of the full **Board of Directors**, at which action upon any such contract, transaction or other act is taken, and if such fact shall be so disclosed or known, any **Director** or officer of the **Association** so related or otherwise interested may be counted in determining the presence of a quorum of any meeting of the **Board of Directors** or of such committee, at which action upon any such contract, transaction or act shall be taken, and may vote with respect to such action with like force and effect as if said **Director** or officer of the **Association** were not so related or interested. Any **Director** or officer of the **Association** may vote upon any contract or other transaction between the **Association** and any affiliated corporation without regard to the fact that said **Director** or officer is also a director of such affiliated corporation.

Article Seventeen
Dissolution

The **Association** shall be dissolved upon the termination of **Sunset Bay at Bon Secour Island Villas, a Condominium** in the manner provided in the **Declaration** and **Acts**. Upon dissolution of the **Association**, the assets of the **Association**, if any, and all money received by the **Association** from the operations of the **Association**, after the payment in full of all debts and obligations of the **Association** of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided for in the **Acts**.

IN WITNESS WHEREOF, the **Incorporator** has caused these **Articles of Incorporation** to be executed this 23rd of **August, 2007**.

Incorporator:

**Bon Secour Development, L.L.C., an Alabama
Limited Liability Company**

By: 

Steve H. Bryan

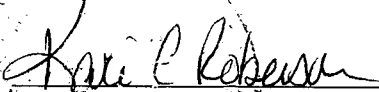
Its: **Managing Member**

STATE OF ALABAMA :

COUNTY OF BALDWIN :

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared **Steve H. Bryan**, whose name as **Managing Member of Bon Secour Development, L.L.C., an Alabama Limited Liability Company**, is signed to the foregoing instrument, and who, being by me first duly sworn, deposes and says that he is authorized to execute this instrument on behalf of the **Company** and that the facts contained in the above and foregoing **Articles of Incorporation** are true and correct.

SUBSCRIBED AND SWORN TO before
me this 23rd day of August, 2007.



Notary Public

My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Sept 28, 2010

THIS INSTRUMENT PREPARED BY:

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