

EXHIBIT "C"

BY-LAWS
OF
SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the Corporation is Sugar Beach Condominium Association, Inc., hereinafter referred to as the "Corporation". The principal office of the Corporation shall be located at P. O. Box 1647, Gulf Shores, Alabama 36542, but meetings of members and directors may be held at such places within the State of Alabama, County of Baldwin, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meeting. The First meeting of the members shall be held at the call of the Directors, or a majority of them, upon at least three (3) days notice for such purpose as shall be stated in the notice of the meeting. Each subsequent regular annual meeting of members shall be held on the day and hour of each year thereafter, established by the Board of Directors.

Section 2. Special Meetings. Special meetings may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Corporation, or supplied by such member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement of the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Condominium Unit.

ARTICLE III
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. Except as provided in Article V, the affairs of this Corporation shall be managed by a Board of at least three (3)

directors, who must be members of the Corporation except for the interim directors.

Section 2. Term of Office. At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, two (2) directors for a term of two (2) years; and, at each annual meeting thereafter, the members shall elect the needed number of directors for a term of two (2) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Corporation. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Corporation. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6. Organizational Meeting. An organizational meeting of the Board of Directors named in the Articles of Incorporation shall be held within this state at the call of a majority of the incorporators for the purpose of adopting these by-laws, electing officers and the transaction of such other business as may come before the meeting.

ARTICLE IV NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Corporation and two (2) or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members.

Section 2. Developer's Right to Appoint Director. Notwithstanding the above, until four (4) months after Developer has completed and conveyed seventy-five (75%) percent of the Units located on the Property but not to exceed three (3) years after conveyance of the first Unit, or until Developer elects to terminate its control of the Condominium, whichever event shall first occur, the directors of the Association shall be designated by the Developer and such directors need not be Unit Owners.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V
MEETING OF DIRECTORS

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held monthly notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Corporation or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the facilities of the Corporation, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published Rules and Regulations;

(c) exercise for the Corporation all powers, duties and authority vested in or deposited to this Corporation and not reserved to the membership by other provisions of these By-Laws, or the Articles;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) amend and modify these By-Laws as the Board may determine from time to time.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;

(c) establish the annual assessment period and fix the amount of the annual assessment against each member for each Condominium Unit owned at least thirty (30) days in advance of each annual assessment;

(d) send written notice of each assessment to every Unit Owner and, where appropriate, to the Developer, at least thirty (30) days in

advance of each annual assessment period, and levy all such assessments as liens;

(e) foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(f) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) procure and maintain liability, fire and other hazard insurance on property owned by the Corporation as prescribed by the Articles and in the Declaration;

(h) cause all officers or employees having fiscal responsibilities to be bonded as prescribed in the Declaration;

(i) cause all of the facilities to be maintained; and

(j) adopt these By-Laws for the Association and to amend same from time to time as circumstances may require.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Corporation shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and following each annual meeting of the members thereafter.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4. of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of directors, shall see that order and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign, as president, all instruments of indebtedness for the Corporation.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Corporation together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit or cause to be received and deposited, in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory note of the Corporation; keep proper books of account; cause an annual audit of the Corporation books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The treasurer may delegate the herein described duties, or portions thereof, to the Agent Manager; however, it shall be the responsibility of the treasurer to oversee the proper accounting of all corporate receipts and disbursements.

ARTICLE VIII
COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purpose.

ARTICLE IX
BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles and the By-Laws of the Corporation shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE X
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Corporation his/her/its prorata share of the assessment to maintain the Common Elements of the Condominium. Such assessments are secured by a continuing lien upon the respective Unit against which the assessment is made. Any assessments, annual or special, which are not paid when due shall be delinquent. If the assessment is not paid

within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Corporation may bring an action at law against the member obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. A member may not waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements of the Corporation or abandonment of any of the Property.

ARTICLE XI
AMENDMENTS

Section 1. These By-Laws may be amended by the Board at a regular or special meeting of the Board by a vote of a majority of a quorum of directors present in person or by proxy. CAVEAT: The Board is directed to Section 35-8-10, Code of Alabama, 1975, which requires the recording of any amendment to these By-Laws before such admendment can become effective.

Section 2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control.

ARTICLE XII
VOTING RIGHTS

In accordance with paragraph 11. of the Declaration and in accordance with Article V of the Articles of Incorporation and in accordance with Section 35-8-7(6), Code of Alabama, 1975, which states in part as follows:

...the declaration shall contain:

. . . .

"The voting rights, or method of determining such rights, of the unit owners with respect to matters arising out of ownership of the common elements, which rights must correspond approximately with each unit owner's undivided interest in such common elements;"

the number of votes to be cast by each member shall be determined by ownership in a particular Unit as follows:

<u>Unit Number</u>	<u>Number of Votes</u>
100	.5
101	1
102	1
103	1
104	1
105	1
106	1
107	1
108	1
109	1
110	1
111	1
112	1
113	2
114	1
116	1
117	2
118	1
120	1
121	2
122	1
123	2

<u>Unit Number</u>	<u>Number of Votes</u>
124	1
126	2
127	2
128	2
130	2
131	2
132	2
133	2
135	1
136	1
137	1
138	1
139	1
140	2
141	2
142	1
143	1
144	2
145	2
146	2
147	1
148	1
149	2
150	2
153	2
154	2
157	1
158	1
159	1
160	1
161	2
162	2
163	1
165	1
166	2
167	1
169	1
170	2
171	1
173	1
175	1
177	1
179	1
181	1
201	2
202	1
204	1
205	2
206	1
208	1
209	2
210	1
212	1
213	2
214	2
217	2
218	1
220	1
221	2
222	1
223	2
224	1
226	2
227	2
228	2
230	2
231	2

REG. 53 APR 1906

<u>Unit Number</u>	<u>Number of Votes</u>
232	2
233	2
235	1
236	1
237	1
238	1
239	1
240	2
241	2
242	1
243	1
244	2
245	2
246	2
247	1
248	1
249	1
250	2
251	1
253	2
254	2
257	2
258	1
260	1
261	2
262	2
263	2
266	2
267	2
270	2
271	2
275	2
279	2
301	1.5
302	1.5
303	1.5
304	1.5
305	1.5
306	1.5
307	1.5
308	1.5
309	1.5
310	1.5
311	1.5
312	1.5
313	1.5
314	1.5
315	1.5
316	1.5
317	1.5
318	1.5
319	1.5
320	1.5
321	3
322	1.5
323	1.5
324	1.5
325	1.5
326	3
327	1.5
328	3
329	1.5
330	3
331	3
332	1.5
333	3
334	1.5

H.S.C. 53 of 1907

<u>Unit Number</u>	<u>Number of Votes</u>
335	1.5
336	1.5
337	1.5
338	1.5
339	1.5
340	3
341	3
342	1.5
343	1.5
344	3
345E	1.5
345W	1.5
346	3
347	1.5
348	1.5
349	1.5
350	1.5
351	1.5
352	1.5
353	1.5
354	1.5
355	1.5
356	1.5
357	1.5
358	1.5
359	1.5
360	1.5
361	3
362	1.5
363	3
364	1.5
366	1.5
367	1.5
368	1.5
369	1.5
370	1.5
371	1.5
372	1.5
373	1.5
375	1.5
377	1.5
379	1.5
381	1.5

When more than one (1) person or entity holds an ownership interest in any Unit, all persons and/or entities shall be members; however, the number of votes for such Unit shall not exceed the number allocated for such Unit as described above.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of recordation of the Articles.

ARTICLE XIV
DEFINITIONS

As used in these By-Laws, words or phrases shall have the same meaning and definitions as set forth in the Declaration.

EXHIBIT "D"

OWNERSHIP OF COMMON ELEMENTS

Subject to the provisions of the Declaration of Condominium, the Owner or Owners of each Unit shall own as an appurtenance to each such Unit, a percentage undivided interest in the Common Elements which is determined proportionately by multiplying the number of square feet of Private Elements within each Unit by one hundred (100) and dividing the quantum by the total number of square feet of Private Elements in the entire Condominium which is estimated to be one hundred twenty six thousand one hundred sixty eight (126,168) square feet. Upon application of the foregoing, the following become the assigned undivided interest in the Common Elements owned by each Unit:

<u>Unit No.</u>	<u>Ownership C/E</u>	<u>Est. Monthly Assess./Unit</u>
100	.1585	\$ 25.84
101	.3106	50.63
102	.3106	50.63
103	.3106	50.63
104	.3106	50.63
105	.3106	50.63
106	.3106	50.63
107	.3106	50.63
108	.3106	50.63
109	.3106	50.63
110	.3106	50.63
111	.3106	50.63
112	.3106	50.63
113	.6404	104.39
114	.3106	50.63
116	.3106	50.63
117	.6404	104.39
118	.3106	50.63
120	.3106	50.63
121	.6404	104.39
122	.3106	50.63
123	.6404	104.39
124	.3106	50.63
126	.6404	104.39
127	.6404	104.39
128	.6404	104.39
130	.6404	104.39
131	.6404	104.39
132	.6404	104.39
133	.6404	104.39
135	.3106	50.63
136	.3106	50.63
137	.3106	50.63
138	.3106	50.63

<u>Unit No.</u>	<u>Ownership C/E</u>	<u>Est. Monthly Assess./Unit</u>
139	.3106	\$ 50.63
140	.6404	104.39
141	.6404	104.39
142	.3106	50.63
143	.3106	50.63
144	.6404	104.39
145	.6404	104.39
146	.6404	104.39
147	.3106	50.63
148	.3106	50.63
149	.6404	104.39
150	.6404	104.39
153	.6404	104.39
154	.6404	104.39
157	.3106	50.63
158	.3106	50.63
159	.3106	50.63
160	.3106	50.63
161	.6404	104.39
162	.6404	104.39
163	.3106	50.63
165	.3106	50.63
166	.6404	104.39
167	.3106	50.63
169	.3106	50.63
170	.6404	104.39
171	.3106	50.63
173	.3106	50.63
175	.3106	50.63
177	.3106	50.63
179	.3106	50.63
181	.3106	50.63
201	.6404	104.39
202	.3106	50.63
204	.3106	50.63
205	.6404	104.39
206	.3106	50.63
208	.3106	50.63
209	.6404	104.39
210	.3106	50.63
212	.3106	50.63
213	.6404	104.39
214	.6404	104.39
217	.6404	104.39
218	.3106	50.63
220	.3106	50.63
221	.6404	104.39
222	.3106	50.63
223	.6404	104.39
224	.3106	50.63
226	.6404	104.39
227	.6404	104.39
228	.6404	104.39
230	.6404	104.39
231	.6404	104.39
232	.6404	104.39
233	.6404	104.39
235	.3106	50.63
236	.3106	50.63
237	.3106	50.63
238	.3106	50.63
239	.3106	50.63
240	.6404	104.39
241	.6404	104.39
242	.3106	50.63
243	.3106	50.63

MISC. 53 OF 1910

<u>Unit No.</u>	<u>Ownership C/E</u>	<u>Est. Monthly Assess./Unit</u>
244	.6404	\$ 104.39
245	.6404	104.39
246	.6404	104.39
247	.3106	50.63
248	.3106	50.63
249	.3106	50.63
250	.6404	104.39
251	.3106	50.63
253	.6404	104.39
254	.6404	104.39
257	.6404	104.39
258	.3106	50.63
260	.3106	50.63
261	.6404	104.39
262	.6404	104.39
263	.6404	104.39
266	.6404	104.39
267	.6404	104.39
270	.6404	104.39
271	.6404	104.39
275	.6404	104.39
279	.6404	104.39
301	.4882	79.58
302	.4882	79.58
303	.4882	79.58
304	.4882	79.58
305	.4882	79.58
306	.4882	79.58
308	.4882	79.58
309	.4882	79.58
310	.4882	79.58
311	.4882	79.58
312	.4882	79.58
313	.4882	79.58
314	.4882	79.58
315	.4882	79.58
316	.4882	79.58
317	.4882	79.58
318	.4882	79.58
319	.4882	79.58
320	.4882	79.58
321	.9764	159.15
322	.4882	79.58
323	.4882	79.58
324	.4882	79.58
325	.4882	79.58
326	.9764	159.15
327	.4882	79.58
328	.9764	159.15
329	.4882	79.58
330	.9764	159.15
331	.9764	159.15
332	.4882	79.58
333	.9764	159.15
334	.4882	79.58
335	.4882	79.58
336	.4882	79.58
337	.4882	79.58
338	.4882	79.58
339	.4882	79.58
340	.9764	159.15
341	.9764	159.15
342	.4882	79.58
343	.4882	79.58
344	.9764	159.15
345E	.4882	79.58

MISC. 53-111 1911

<u>Unit No.</u>	<u>Ownership C/E</u>	<u>Est. Monthly Assess./Unit</u>
345W	.4882	\$ 79.58
346	.9764	159.15
347	.4882	79.58
348	.4882	79.58
349	.4882	79.58
350	.4882	79.58
351	.4882	79.58
352	.4882	79.58
353	.4882	79.58
354	.4882	79.58
355	.4882	79.58
356	.4882	79.58
357	.4882	79.58
358	.4882	79.58
359	.4882	79.58
360	.4882	79.58
361	.9764	159.15
362	.4882	79.58
363	.9764	159.15
364	.4882	79.58
366	.4882	79.58
367	.4882	79.58
368	.4882	79.58
369	.4882	79.58
370	.4882	79.58
371	.4882	79.58
372	.4882	79.58
373	.4882	79.58
375	.4882	79.58
377	.4882	79.58
379	.4882	79.58
381	.4882	79.58

REC. 53-11-1012

EXHIBIT "E"

RULES AND REGULATIONS
OF
SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.

Governing The Use By
Unit Owners, Tenants, Occupants And Guests

The following RULES AND REGULATIONS shall be binding upon and apply to all Unit Owners, tenants, occupants and their guests and shall be enforceable by Sugar Beach Condominium Association, Inc. (the "Association") in any manner permitted by applicable law. Unit Owners shall use their best efforts to see that said Rules and Regulations are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.

1. Each Unit Owner shall regulate and be responsible for the occupancy and use of his Unit. The Owner may not occupy or use or allow his Unit to be used in any manner which will unreasonably disturb other residents or the general operation of the Condominium Property. The Owner shall not allow any disturbing noises in the building nor shall he interfere with the rights, comforts or conveniences of other residents. The owner shall not permit any musical instrument to be played or any phonograph, television, radio or hi-fi stereo equipment to be operated in his Unit in any manner which will disturb or annoy other residents of the building. The Owner shall use all reasonable efforts to minimize any noises emanating from his Unit.

2. Automobiles may be parked only in the areas provided for that purpose.

3. An Owner may identify his Unit with a name plate of a type and size approved by the Association and mounted in a place and manner approved by the Association. No other signs may be displayed except as to the Association's manager's office and Unit 200. This restriction shall not apply to the Developer until after all Units are sold.

4. No flower pots, boxes or other similar materials shall be suspended from windows. Hanging plants may be hung within balconies

provided that they do not create an eyesore. In the event that any hanging plant is adjudged by the Association's Board of Directors (the "Board of Directors") to constitute an eyesore or a safety hazard, the Board of Directors may order that such plant be removed. Any person refusing to obey such an order by the Board of Directors shall be in violation of these Rules and Regulations.

5. The balconies, terraces and stairways shall not be used for hanging bathing suits, towels, garments, rugs or other objects.

6. With the exception of the master antenna, if any, and/or the cable television system, if any, maintained by the Association, no antenna shall be installed outside of any Unit or building. No citizens band or shortwave radio or similar apparatus which would have an adverse affect on the reception of television or radio signals by others is permitted.

7. No liquid or gel mattresses shall be allowed in any Unit.

8. No storage of any kind shall be permitted in walkways, stairwells or other public spaces or common areas (except such common areas as shall be designated for such use by the Board of Directors).

9. Common areas of buildings shall be used only for the purposes for which such areas are customarily used and are to be kept free of obstruction. No articles belonging to Unit Owners, tenants, occupants or guests shall be kept in these areas. Each Owner, tenant and occupant shall be responsible for removing any refuse he or his guest has left in any common area.

10. Alteration and repair of the exterior of the building is the responsibility of the Association. No work of any kind is to be done upon exterior building walls or upon interior boundary walls without first obtaining the approval required by the Declaration of Condominium.

Except as provided in Paragraph 3. above, entrance doors to units shall not be permanently changed or altered in any manner. This regulation does not prohibit temporary decorations on apartment doors to celebrate festive holiday periods.

11. No Owner, tenant or occupant shall exhibit, inscribe, paint or affix any sign, advertisement or notice on any part of the outside or

common areas of the building or which is viewable from the outside or common areas of the building.

12. No owner, tenant or occupant shall attach any awning, enclosure, shutter, shielding or any other projection of a similar nature to any window or to the outside walls of any building or balcony.

13. No Owner, tenant, occupant or guest shall use the sidewalks, entrances, passageways, stairwells or corridors for any purpose other than ingress and egress to and from the premises.

14. No garbage or trash shall be disposed of on the premises except through the use of garbage disposal units or by use of receptacles in areas designated by the Association.

15. The Association regulates the presence of pets on the Condominium Property. Owner's pets are permitted only through application to the Board of Directors of the Association and, if such application is approved, only under such restrictions and conditions as the Board shall require in each individual case. Permitted pets will only be allowed upon the Common Elements while controlled under leash by the owner thereof or by other responsible party. Pets will not be allowed in the swimming pool areas. Persons other than Unit Owners may not bring pets upon the Condominium Property.

16. All residents are to inform lessees of the Rules and Regulations.

17. The driving speed limit is five (5) miles per hour on the Property.

18. No person shall repair any motor vehicle, including automobiles, motorcycles, recreational vehicles, campers, trucks and trailers on the Condominium Property, nor may any Unit Owner or any other person store or place on blocks, on the Condominium Property, a boat, motorcycle, camper, recreational vehicle, truck or trailer or unlicensed vehicle without the prior written consent of the Board of Directors.

19. All interior window treatments and decoration shall be limited to appropriate and normally used materials and shall be white in color upon the side exposed to the exterior of the building.

20. In order to utilize employees efficiently and minimize the cost of performing maintenance work, no Owner, tenant or occupant shall be permitted to give direct order or directions to any employee of the Association. All requests for service shall be directed to an officer of the Association or to the Manager.

21. No Owner shall alter his Unit entrance door lock or install a new or additional lock without prior written consent of the Board of Directors.

22. By permission of the Board of Directors, an Owner may install on the exterior door(s) of his Unit a safety lock, provided that such lock may be opened from the outside by use of a key. In the event that any such lock is installed, the Owner shall deliver a passkey to the lock to the President of the Association, which passkey shall be kept in a sealed envelope and used to enter the Unit in accordance with the provisions contained in the Declaration

The Owners, tenants and/or occupants of each Unit shall maintain such Unit and all of the fixtures therein in good condition and repair.

23. No Owner, tenant or occupant may install any plumbing, wiring or air conditioning equipment without the prior written approval of the Board of Directors.

The foregoing Rules and Regulations are subject to amendment by the Board of Directors.

EXHIBIT "F"

SUGAR BEACH CONDOMINIUM ASSOCIATION, INC.
ESTIMATED OPERATING BUDGET
(COMMON EXPENSE)

<u>Item</u>	<u>Annual Amount</u>
1. Accounting & Legal -	\$ 1,200.00
2. Electricity (Common Elements) -	17,000.00
3. Insurance (Building & Liability) -	25,000.00
4. Maintenance (Common Elements) -	63,000.00
5. Replacement Reserve (Common Elements) -	14,000.00
6. Salary (Manager) -	10,000.00
7. Unit Rent (Manager) -	6,000.00
8. Garbage Service -	1,800.00
9. Water & Sewer -	<u>57,000.00</u>
TOTAL ANNUAL AMOUNT -	\$195,600.00

EXHIBIT "G"

STATE OF ALABAMA
COUNTY OF BALDWIN

SUGAR BEACH CONDOMINIUM
LIMITED WARRANTY

This Agreement made this _____ day of _____, 198_, by and between SHORELINE DEVELOPERS, INC., an Alabama corporation, (hereinafter referred to as "Developer") and _____

(hereinafter referred to as "Purchaser") of Unit _____ of Sugar Beach Condominium, as established by Declaration of Condominium recorded in Miscellaneous Book _____, Pages _____, et seq., of the Baldwin County, Alabama, Probate Court Records (hereinafter referred to as "Property").

WHEREAS, Developer has caused to be built for sale to Purchaser or under contract with Purchaser a Condominium Unit situated in the County of Baldwin, State of Alabama, on the above property; and

WHEREAS, Builder does hereby agree to give a limited warranty on the property for a period of one (1) year following closing or occupancy by Purchaser, whichever event shall first occur, upon the following condition.

NOW, THEREFORE, in consideration of the payment of the purchase price of the Property and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreement hereinafter set forth, the parties hereby agree as follows:

1. Not later than thirty (30) days after closing or occupancy, whichever event shall first occur, Purchaser shall deliver a written list of any minor omissions or malfunctions not previously made known in writing to Developer. To the extent that such items are a normal Developer responsibility or not otherwise excluded hereunder, corrections or adjustments will be made by Developer.

Developer warrants the above Property to be free from latent defects for a period of one (1) year following closing or occupancy, whichever event shall first occur.

A latent defect in construction is herein defined as a defect not apparent at time of occupancy or closing, but which becomes apparent within one (1) year from date of closing or occupancy, whichever event shall first occur, and such defect has been directly caused by Developer's failure to construct in accordance with the standards of construction prevailing in the geographical area of the Property. It is stressed, however, that normal characteristic behavior of building materials, wear and tear, general maintenance, and like items, will not constitute a latent defect.

PROCEDURE: Should it appear that a possible latent defect (non-emergency) nature) has developed, Purchaser shall outline pertinent details in writing and deliver same to Developer. Following receipt of such notice, Developer will make an inspection. If a latent defect exists, Developer will (at Developer's sole option) either (a) repair, (b) replace, or (c) pay to Purchaser the reasonable cost of such repair or replacement due to such latent defect(s); however, Developer shall not be obligated to spend more than the purchase price of the Property.

NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED
HEREIN, THIS WARRANTY DOES NOT COVER ANY APPLIANCE,
PIECE OF EQUIPMENT, OR ITEM WHICH IS A CONSUMER
PRODUCT FOR PURPOSES OF THE MAGNUSON-MOSS WARRANTY

ACT (15 U.S.C., SECTION 2301 THROUGH 2312).
THIS WARRANTY IS GIVEN IN LIEU OF ANY AND ALL OTHER
WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING
ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS
FOR A PARTICULAR PURPOSE, HABITABILITY AND WORKMAN-
SHIP.

3. Developer shall not be liable under this Agreement unless written notice of the latent defect shall have been given by Purchaser to Developer within the one (1) year warranty period. Steps taken by Developer to correct any defect or defects shall not act to extend the warranty period described hereunder.

4. Purchaser waives all right to file any legal action hereunder upon expiration of three (3) months after the end of the one (1) year warranty period.

5. Developer hereby assigns to Purchaser all of Developer's rights, if any, under manufacturer's warranties on appliances and items of equipment included in the Property. Developer assumes no responsibility for such manufacturer's warranties and Purchaser should follow the procedures in these warranties if defects appear in such appliances and items of equipment.

6. Developer does not assume responsibility for any of the following, all of which are expressly excluded from coverage under this Limited Warranty:

(a) Defects in appliances and pieces of equipment which are covered by manufacturer's warranties.

(b) Incidental, consequential, or secondary damages caused by a breach of this warranty.

(c) Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weatherstripping.

(d) Conditions resulting from condensation on, or expansion or contraction of, materials.

(e) Defective design of materials supplied by Purchaser or installed under his direction; or defects in, or caused by anything not built into, or installed in the Property pursuant to contract between Developer and Purchaser.

(f) Damages due to ordinary wear and tear, abusive use, or lack of proper maintenance of the Property.

(g) Loss or injury due to the elements.

(h) Landscaping or any portion thereof is hereby expressly excluded from this warranty including sodding, seeding, shrubs, trees and plantings.

(i) Insect damage of any nature whatsoever.

(j) Non-uniformity of appearance of used or simulated used brick.

(k) Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, formica and glass not expressly identified to Developer within thirty (30) days after closing.

(l) Dripping faucets and toilet adjustments after the initial thirty (30) day warranty period described herein.

(m) Utility service lines installed by Developer, municipality or service company and back filling or slumping thereof.

(n) Deterioration or defects in asphalt paving.

7. This warranty is extended only to Purchaser named herein. It is not transferable to subsequent purchasers of the Property.

8. Should any term of this Agreement be deemed by a Court of competent jurisdiction to be unenforceable, such determination shall not affect the enforceability of the remaining provisions.

9. Use of one gender shall include all other genders; use of the singular shall include the plural; and use of the plural shall include the singular; all as may be appropriate.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, Developer has executed this Agreement on the day and year first above written.

DEVELOPER:

SHORELINE DEVELOPERS, INC.,
an Alabama corporation

By: *Robert L. Kilpatrick*
ROBERT L. KILPATRICK,
President

REC. 53 OF 1920