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STATE OF ALABAMA)
COUNTY OF BALDWIN)

ARTICLES OF INCORPORATION
OF
MAREM PLACE PROPERTY OWNERS ASSOCIATION, INC.

The undersigned incorporator desiring to become a body corporate for the purpose hereinafter set forth, does hereby make and file these Articles of Incorporation under and pursuant to the Alabama Nonprofit Corporation Act, Secs. 10-3A-1 et seq., Code of Alabama 1975 (hereinafter referred to as the "act").

1. Definition

As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

(A) "Articles of Incorporation" means the Articles of Incorporation of the Association as the same may be amended from time to time.

(B) "Association" means Marem Place Property Owners Association, Inc. an Alabama nonprofit corporation, its successors and assigns.

(C) "Common Elements" means all portions of the Development other than Lots, including without limitation, all streets, and rights-of-way, and all common walkways, parking facilities, open spaces, detention ponds, landscaping, recreational facilities and other common areas and facilities in or appurtenant to the Development, and all other property, whether real or personal, from time to time held by the Association for the common benefit and enjoyment of the Owners.

(D) "Declaration" means the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions applicable to the Development as recorded in the Probate records of Baldwin County, Alabama, as the same may be amended from time to time

(E) "By-Laws" means the By-Laws of the Association as the same may be amended from time to time.

(F) "Developer" means CURREN REPLACEMENT PROPERTY, LLC an Alabama Limited Liability Company, its successors and assigns.

(G) "Documents" means the Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations.

(H) “Members” means the Members of the Association.

(I) “Lot” means a residential Lot in the Development as shown on the recorded plat or map thereof.

(J) “Owner” means the record owners, whether one or more persons or entities, of a vested interest in the fee simple title to a Lot. If title to a Lot is split between estates for life or years, and remainder, then the owner or owners of the estate having present rights to possession shall be considered the Owner. Notwithstanding any applicable theory of the mortgage, “Owner” shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title, whether subject to redemption or not, pursuant to foreclosure or any proceeding in lieu thereof. After any mortgagee, lien holder or purchaser at foreclosure sale acquires title by foreclosure or proceedings in lieu of foreclosure, such party shall be and become “Owner” within the meaning of these Articles, and the debtor(s) shall no longer be an Owner regardless of whether there is outstanding a right of redemption.

(K) “Property” means the real estate described in Section II (Declaration of Rights) Article II, together with all additional real estate, if any, at any time added to the Development.

(L) “Rules and Regulations” means the Rules and Regulations relating to the conduct of the Owners and their invitees and aesthetic consideration pertaining to the Development from time to time adopted by the Association in accordance with its By-Laws,

2. Name of Corporation

The name of the corporation is Marem Place Property Owners Association, Inc. (hereinafter referred to as the “Corporation or “Association”).

3. Period of Duration

The period of duration of the Corporation shall be perpetual.

4. Purpose of Corporation

The Corporation is organized and shall be operated to provide exclusively for the management of Marem Place (the “Development”), a subdivision of the Property , and to manage, maintain and administer the Common Elements, and to administer and enforce the covenants and restrictions set forth in the Declaration, and shall have all other powers and duties set forth in the Documents. As provided in the Declaration and/or By-Laws, the Association shall be responsible for all maintenance, repairs, and replacement of the Common Elements, and shall have the right to suspend the enjoyment rights of any Member for any period during which any assessment due by said Member remains

unpaid, and for any period not to exceed thirty (30) days for any infraction of its Rules and Regulations.

The Property comprising the Development is situated in Baldwin County, Alabama and consists of the following described parcel of land and the improvements thereon, together with all and singular the rights, members, privileges, and appurtenances thereunto belonging, or in any way appertaining:

9.6 AC (C) LOT 4 SLOAN SUBDIVISION SLIDE 2140-A as recorded in the Office of the Judge of Probate, Baldwin County, Alabama (the "Property").

The Development shall also include such additional real estate, if any, as the Developer, in its sole discretion, may add to the Development.

The Corporation shall be the "Homeowners Association" with respect to the Development within the meanings of Sec. 528 of the United States Internal Revenue Code of 1986 (the "Code"), and the Regulations there under.

The Corporation shall have authority to assess and collect membership dues, fees and assessments from its members for the management, maintenance, and care of the Property, and shall expend its funds exclusively for such purposes.

No part of the net earnings of the Association shall inure (other than by providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments) to the benefit of any Member or private individual.

The purposes set forth herein shall be construed as powers as well as purposes. The Corporation shall have and may exercise all such powers and all powers given to it by Declaration and all powers given corporations by the Act, and any act hereafter amendatory thereof, supplementary thereto or substituted therefore, and all other applicable laws now or hereafter enacted, as if such powers were set forth in full herein, including, without limitation, all powers as shall enable it to do each and everything necessary, suitable, convenient, expedient or proper for the accomplishment of any or all of the purposes and the attainment of any or all of the objects set forth herein, provided, however, that the Corporation shall not have or exercise any power that would cause the Corporation not to be a Homeowners Association under Sec. 528 of the Code, and the Regulations there under.

5, Members

The Association shall have only one class of members. The membership of the Association at all times shall consist exclusively of all Owners (including Developer as long as it owns a Lot), their heirs, legal representative, successors or assigns. Each Owner shall cease being a member of the Association at the time such member no longer owns a Lot. Change of membership in the Association shall be established by recording in the

Probate records of Baldwin County, Alabama, the deed or other instrument establishing record title to a Lot, and the delivery to the Association of a certified copy of such instrument establishing record title to a Lot, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners shall be subject to and shall comply with the provisions of the Documents, as the same may be amended from time to time.

The members shall not, as such, be liable for the debts of the Corporation.

6. Registered Office and Agent

The location of the initial registered office of the Corporation is 24280 Patterson Road, Robertsdale, Alabama 36567. The mailing address of the Corporation is P O Box 4889 Gulf Shores, Alabama 36547. The Name of the Corporation's initial registered agent at such address is Trem Perry.

7. Board of Directors

The activities and affairs of the Association should be managed by a Board of Directors, provided, however, that the Board of Directors shall not exercise any power or authority conferred herein or by the Act upon the Members. Except as provided herein, or in the By-Laws, the Board may act in all instances on behalf of the Association. In the performance of their duties, the officers and the Board of Directors shall exercise ordinary and reasonable care.

The Board may not act on behalf of the Association to amend the Declaration or to elect members of the Board or to determine the qualifications, powers and duties, or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

The initial members of the Board are:

Marie L. Curren
Trem Perry

The term of service of the initial members of the Board shall be one (1) year from the date hereof, provided, however, that until (a) the time when Developer no longer owns any Lot in, or planned for, the Development or (b) the expiration of three (3) years from the date hereof, or (c) Developer relinquishes control of the Development in writing, whichever first occurs, Developer may, by written instrument duly recorded in the Probate Court of Baldwin County, Alabama, at any time remove any member of the Board of Directors, or replace any Director, or name a new Director in place of any Director who has resigned or died. Until termination of the period of Developer control,

the members of the Board of Directors appointed by the Developer may, but need not be, Owners.

After the first to occur of the events described in the preceding paragraph, control of the Development shall be transferred to all Owners (including Developer if it is still a Owner) of a majority of the total Lots, and thereafter the Owners may, in accordance with the Articles of Incorporation, Declaration or By-Laws, remove any member of the Board of Directors, or replace any Director, or name a new Director in such Director's place in the event such Director for any reason ceases to so serve, and fix the term of service of each new Director.

In determining the number of Lots which may be created at any time, the Lots in all planned additional phases of the Development shall be included. The Developer shall be deemed to be the Owner of each Lot which has not been conveyed to a person other than the Developer. The Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Lot under the Documents.

Upon the termination of the period of Developer control, the Owners shall elect a Board of at least three members all of whom shall be Owners, and at least a majority of whom shall be Owners other than the Developer.

The Board shall elect the officers. The Board members and officers shall take office upon elections.

8. Incorporator

The name and address of the incorporator of the Corporation is Trem Perry, 24280 Patterson Road, Robertsdale, Alabama 36567.

The powers of the incorporator shall terminate upon the filing of these Articles of Incorporation.

9. Amendment

Subject to the provisions of the Declaration, the Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by the Act, and all rights conferred upon Members herein are granted subject to such reservation, provided, however, that no such amendment, alteration, change or repeal of any such provision shall be effective if it would cause the Corporation not to be a Homeowner Association under Sec. 528 of the Code and the Regulations there under.

10. Indemnification

The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the association), by reason of the fact that such person is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such persons in connection with such claim, action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceedings, had no reasonable cause to believe such persons conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was lawful.

The Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as director, officer, partner employee or agent of another corporation, partnership, joint venture, trust of other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs one and two of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expense (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, notwithstanding that such person has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

Any indemnification under paragraphs one and two of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a

determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs one and two of this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to such claim, action suit or proceeding, or (2) if such a quorum is not obtainable, or event if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) if by a majority of the Members.

Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Association in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in the preceding paragraph upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if and to the extent that it shall be ultimately determined that such person is not entitled to be indemnified by the Association as authorized in this Article.

The indemnification authorized by this article shall not be deemed exclusive of and shall be in addition to any other right whether created prior or subsequent to the enactment of this Article to which those indemnified may be entitled under any statute, rule of law, provisions of articles of incorporation, by-law, agreement, or disinterested directors, or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person, and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provision of this Article.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal on this the _____ day of January, 2007.

Trem Perry
Incorporator

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned Notary Public in and for said States and County, hereby certify that Trem Perry, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal this _____ day of January, 2007.

Notary Public

My Commission Expires:

DECLARATION OF RIGHTS,
CONDITIONS, RESTRICTIONS, AFFIRMATIVE OBLIGATIONS,
AND CONDITIONS
FOR
MAREM PLACE SUBDIVISION

STATE OF ALABAMA :

COUNTY OF BALDWIN:

This DECLARATION made on the date hereinafter set forth by Curren Replacement Property, LLC hereinafter referred to as “DECLARANT”

R E C I T A L S;

1. DECLARANT is the owner of the real property located in Baldwin County, Alabama, which is known as MAREM PLACE SUBDIVISION, recorded in the office of the Judge of Probate of Baldwin County, Alabama, in Slides _____, together with all improvements and appurtenances, sometimes hereinafter referred to as the PROPERTY.
2. DECLARANT has caused the MAREM PLACE PROPERTY OWNER’S ASSOCIATION to be formed as an ASSOCIATION incorporated under the laws of the State of Alabama as a non-profit corporation for the purpose of providing an Alabama non-profit corporation to serve as representative of the DECLARANT and OWNERS of MAREM PLACE SUBDIVISION.
3. DECLARANT desires to create thereon a Subdivision development (the “Development”) for private single-family unit residential use with streets and rights-of-way open spaces detention ponds, and other common areas for the common benefit and enjoyment of the Owners of Lots in the Development; and

Now, therefore, DECLARANT hereby declares that the MAREM PLACE SUBDIVISION shall be held sold and conveyed or encumbered rented used occupied and improved, subject to this DECLARATION and the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall be binding on all parties having any right, title, or interest in the MAREM PLACE SUBDIVISION or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each OWNER of a LOT in the MAREM PLACE SUBDIVISION.

ARTICLE I

DEFINITIONS

The following words and terms when used in this DECLARATION or any SUBSEQUENT AMENDMENT (unless the context clearly shall indicate otherwise) shall have the following meanings:

Section 1.1 “ASSESSMENTS” shall mean and refer to as ASSESSMENTS provided for in this DECLARATION.

Section 1.2 “COMMON AREA” or “COMMON ELEMENTS” or “COMMON PROPERTY” shall mean and refer to any property, buildings, fixtures, facilities or other personal property now owned or otherwise acquired by the MAREM ASSOCIATION by purchase, gift, easement, lease or otherwise to be devoted to the common use and enjoyment of the OWNERS of MAREM PLACE SUBDIVISION.

Section 1.3 “COMMON EXPENSES” shall mean and include the actual and estimated expenses of operating the MAREM ASSOCIATION, including any reasonable reserve, as may be found to be necessary and appropriate by the BOARD pursuant to this DECLARATION, the MAREM DECLARATION and the MAREM BY-LAWS.

Section 1.4 “DECLARANT” shall mean and refer to Curren Replacement Property, LLC its successors and assigns, if such successors or assigns should acquire more than one (1) undeveloped LOT from the DECLARANT for the purpose of development.

Section 1.5 “DEED” shall mean and refer to any DEED assignment, lease or other instrument conveying fee simple title or a leasehold interest in any part of the MAREM PLACE SUBDIVISION.

Section 1.6 “OWNER” shall mean and refer to the record OWNER, whether one or more PERSONS or entities, of a free simple title to any Lot which is a part of the MAREM PLACE SUBDIVISION including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.7 “PERSON” shall mean and refer to a natural PERSON, corporation, partnership, trustee or other legal entity.

Section 1.8 “MAREM ARTICLES OF INCORPORATION” shall mean and refer to the ARTICLES OF INCORPORATION of the MAREM PLACE PROPERTY OWNERS ASSOCIATION, INC.

Section 1.9 “Lot” means a residential lot in the Development as shown on the recorded plat or map thereof.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATIONS AND ADDITIONS THERETO
Section 2.1 “PROPERTY” means the Property included in the Development and is more particularly described as follows:

9.6 AC Lot 4 Sloan Subdivision SLIDE 2140-A as recorded in the Office of the Judge of Probate, Baldwin County Alabama.

Section 2.2 “SEPARATE PARCEL” means each Lot in the Development, together with its interest in the Common Elements, shall constitute for all purposes a separate parcel of real estate.

ARTICLE III

MUTUALITY OF BENEFIT AND OBLIGATION

This MAREM DECLARATION is made for the mutual and reciprocal benefit of each and every part of the MAREM PLACE SUBDIVISION and is intended to create mutual, equitable servitudes upon the MAREM PLACE SUBDIVISION, to create reciprocal rights between the respective OWNERS and future OWNERS of MAREM PLACE SUBDIVISION; and to create a contract and estate between the grantees of the MAREM PLACE SUBDIVISION, their heirs, legal entities, successors and assigns.

The mutual benefit is to include but not be limited to the maintenance of the DETENTION PONDS, Magnolia Hwy. frontage landscaping, and street lights.

MAREM ASSOCIATION shall have the right to dedicate or transfer all or any part of the COMMON AREA to any public agency, authority or utility. MAREM ASSOCIATION shall have the right to adopt and promulgate reasonable rules and regulations pertaining to the use of MAREM PLACE SUBDIVISION, which in the discretion of MAREM ASSOCIATION, shall serve to promote the best interests of the OWNERS and residents in the MAREM PLACE SUBDIVISION.

ARTICLE IV

RESTRICTIVE COVENANTS

USE: All lots in the tract shall be known and described as residential lots and shall be used solely for single family residential purposes and shall not be used for commercial trade, public amusement, entertainment, or business purpose on any kind. No structure

shall be erected, altered, placed or permitted to remain on any residential building lot other than one detached single family dwelling and a private garage for not more than two cars. One out building shall be allowed per lot provided it is approved by the association and is placed behind fence hidden from visibility from the street.

GARBAGE AND REFUSE DISPOSAL: No lot or home owner shall use any portion of his lot for the collection or storage of trash, garbage, old parts, old equipment, or other unsightly articles.

NUISANCES: No lot or homeowner shall be allowed to use property for such activities as parking trailers, recreational vehicles, buses, boats, inoperable motor homes, cars, trucks not in use or for repairs of same. Parking of all vehicles shall be limited to the paved areas in each yard. Parking on grass is not permitted.

TEMPORARY RESIDENCE: No tent, shack, garage, mobile home, or other out building shall be erected or placed on any lot, shall be at any time used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. Mobile trailers, mobile homes, motor homes, campers, recreational vehicles and or trailers and boats may not be kept on any premises.

SIGNS: No sign of any kind shall be displayed to the public view on any lot except one professionally lettered and not more than five square feet in size, which may advertise the property for sale or rent.

ANIMALS: No chickens, horses, pigs, cows, sheep, goats, or other recreational, work, farm or large animals of any kind shall be kept or maintained in the Development. Any animals of any kind that are kept or maintained by any Lot Owner shall be fenced or restrained in such manner that they may not run loose upon other properties within the Development and may be further restricted by subsequent rules and regulations of the Association.

FENCES: No fence may be erected nearer to the front lot line than the front corner of the house on said lot, and any such fence shall be constructed of wood or other decorative material, and be in conformity with the architectural design of the residential structure and shall not exceed six feet in height.

MAINTENANCE OF PROPERTY: All structures, improvements, yards driveways and landscaping must be diligently and properly maintained in a neat and sanitary condition so as to secure the aesthetics of the subdivision.

ARTICLE V

THE ASSOCIATION

5.1 POWERS: The Association is hereby delegated and shall have the power to manage, maintain and administer the Common Elements, and to administer and enforce these covenants and restrictions, and all other powers and duties set forth in this Declaration and the Articles of Incorporation and By-Laws, as the same may be amended from time to time.

5.2 MEMBERSHIP: The membership of the Association at all times shall consist exclusively of all Owners (including Developer as long as it owns a Lot), their heirs, legal representatives, successors or assigns. Each Owner shall cease being a member of the Association at the time such Owner no longer owns a Lot.

5.3 MEETINGS: A meeting of the members of the Association (Members) shall be held at least once a year. Special meetings of the Members may be called by the President or a majority of the Board or by Members having not less than fifty percent (50%) of the votes of the Association. Not less than ten (10) nor more than Sixty (60) days in advance of any meeting, the Secretary or other officer specified in the By-Laws shall cause notice to be hand delivered, e-mailed, or sent prepaid by United States mail to the mailing address or E-mail address of each Member or to any other mailing address designated in writing by such Member and filed with the Secretary. The notice of the meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Articles of Incorporation or By-Laws, any budget changes and any proposals to levy special assessments or to remove an officer or member of the Board, provided, however, that if the initial meeting is adjourned, the purpose of the meeting need not be set forth in the notice of any subsequent meeting called for the same purpose, and the notice provisions set forth in the Quorum section shall apply in respect to each such subsequent meeting.

5.4 QUORUM: At any initial meeting of the Members, whether regular or special, the presence at the meeting, in person or by proxy, of members entitled to cast sixty percent (51%) of all the votes shall constitute a Quorum. If the required quorum is not forthcoming at any such meeting, one or more subsequent meetings may be called on not less than ten (10) days written notice of each such subsequent meeting; and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the immediately preceding meeting; provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

If a quorum is present at a meeting the affirmative vote of a majority in interest of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless a greater number is required by the Articles of Incorporation. (See BOARD MEMBERS & OFFICERS budget proposals for less than a quorum required)

5.5 VOTING RIGHTS: Each member in good standing shall be entitled to one vote on each matter submitted to a vote of Members. On all issues decided by a vote of the Members, whether pursuant to this Article or any other provision of this instrument,

each Owner other than Developer shall be entitled to one vote for each Lot owned in the Development and Developer shall be entitled to one vote for each Lot owned in the Development. If a Lot is owned by more than one person, the Owners of the Lot, Collectively, shall be considered a single member, and may designate among themselves by proxy the one of their number entitled to vote for all of them. If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner shall be entitled to cast all the votes for that Lot. If more than one of the multiple Owners is present, the votes of that Lot may be cast only in accordance with a written agreement of a majority in interest of the multiple Owners, unless the By-Laws expressly provide otherwise. There shall be a majority agreement if any one of the multiple Owners of the Lot casts the votes for the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

An Owner may not revoke a proxy given pursuant to this Section except by written notice of revocation filed with the Secretary prior to a meeting or actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall be void if it is not dated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless it specifies a shorter period.

5.6 OBLIGATIONS OF OWNERS: Each Owner shall, by acceptance of title to such Owner's Lot, be conclusively presumed to have agreed to abide by this Declaration, and the Rights, Covenants, Restrictions, Affirmative Obligations and Conditions set forth herein, the Articles of Incorporation and By-Laws, and all Rules and Regulations from time to time made and promulgated by the Association, and all amendments thereto heretofore adopted, and to pay, when due, all membership dues, fees and assessments due by such Lot Owner to the Association, together with interest thereon from the due date at the interest rate, not to exceed the maximum legal rate, set by the Association.

Unless otherwise provided herein, all membership dues, fees and assessments shall be allocated equally among all Lots in the Development.

5.7 LIENS: The Association shall have a lien on each Lot for any unpaid membership dues, fees and assessments due by the Owner's thereof, duly made by the Association, together with interest thereon at the rate set forth in Article VII Paragraph 8 herein, and reasonable attorney's fees and costs. Such lien shall be effective from and after the time of recording in the public records of Baldwin County, Alabama of a claim of lien stating the description of the Lot, the name of the record Owner, the amount due and the date when due. Such claim of lien shall include only sums due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien. All such liens shall be subordinate to any lien for taxes, the lien of any mortgage of record and any other lien recorded prior to the time of recording of the claim of the Association's lien. Such liens may be foreclosed by an action brought in the name of the Association in the

manner as a foreclosure of a mortgage on real property. The Association shall have the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. An action to recover a money judgment for unpaid dues, fees and assessments may also be maintained without waiving the lien securing the same.

5.8 SURPLUS FUNDS: No part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Common Elements, and other than by rebate of excess membership dues, fees or assessments) to the benefit of any individual Member.

5.9 FINANCIAL RECORDS: The Association shall keep financial records in sufficient detail to enable it to furnish to each Member a statement setting forth the amount of the annual assessment and any unpaid expense or special assessment currently due and payable from such Member; the most recent regularly prepared balance sheet and Common Expense statement, if any, of the Association and any pending suit in which the Association is a party; a statement describing any insurance coverage provided for the benefit of the Members; a statement of the remaining terms of any leasehold or estate affecting the Development and the provisions governing any extension or renewal thereof; and such other records of the Association shall be made reasonably available for examination by any Member or such Member's authorized agent(s), and such records shall be made available in Baldwin County, Alabama. The Members shall not, as such, be liable for the debts of the Association.

5.10 DEALINGS WITH ASSOCIATION: With respect to a third person dealing with the Association, the existence of the Association's powers and the proper exercise thereof by the Association may be assumed without inquiry, unless such person has actual knowledge that the Association is exceeding or improperly exercising its powers. A third person shall not be bound to assure the proper application of any funds paid or assets delivered to the Association.

5.11 MAINTENANCE OF COMMON ELEMENTS: The Association shall be responsible for all maintenance, repairs, and replacement of the Common Elements and each Owner shall be responsible for all maintenance, repairs and replacement of such Owner's Lot and the improvements thereon. In addition, each Owner shall be responsible for the maintenance of such Owner's Lot at all times, free of debris and unsightly condition; and if any owner fails to do so, the Association shall have the right (but not the obligation) to correct any such condition at the Owner's expense. Neither the Association nor any of its authorized agents shall be deemed to have committed a trespass or other wrongful act by reason of such entry, inspection or correction of any such condition.

5.12 INSURANCE: Commencing not later than the time of the first conveyance of a Lot to a person other than the Developer, the Association shall maintain, to the extent reasonably available:

- A. Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against in developments of this nature. The total

- amount of insurance after application of any deductible shall be not less than the greater of eighty (80%) percent of the actual cash value of the insured property at the time the insurance is purchased and each renewal date or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any co-insurance provision exclusive of land, excavations, foundations, fences, and other items normally excluded from property policies.
- B. Liability insurance, including medical payments insurance in an amount determined by the Board of Directors covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.
- C. If the insurance described in subsections (a) and (b) are not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered, e-mailed, or sent prepaid by United States mail to all Owners. The By-Laws may require the Association to carry other insurance, and the Association in any event may carry any other insurance it deems appropriate to protect the Association and/or the Owners.
- D. Insurance policies carried pursuant to subsections (a) and (b) above must provide, if such terms are reasonably available, that:
- 1) Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association; and
 - 2) The insurer waives its right to subrogation under the policy against any Owner or member of such Owner's household; and
 - 3) No act or omission by an Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and
 - 4) If, at the time of a loss under the policy, there is other insurance in the name of an owner covering the same risk covered by the policy, the Association's policy shall be primary insurance.
- E. Any loss covered by a policy under subsections (a) and (b) above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designed for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and lien holders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property, and the Owners and lien holders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored.

- F. Any insurance policy issued to the Association shall not prevent an Owner from obtaining insurance for such Owner's own benefit.
- G. An insurer that has issued an insurance policy under this Section shall issue certificates or memoranda of insurance to the Association, and, upon written request, to any Owner or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Owner and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known address.
- H. Any portion of the Common Elements for which insurance is required under this Section which is damaged or destroyed must be repaired or replaced promptly by the Association unless:
 - 1) Repair or replacement would be illegal under any state or local statute or ordinance; or
 - 2) Eighty (80%) percent of the Owners vote not to rebuild

The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense.

5.13 BOARD MEMBERS AND OFFICERS

- a) Except as provided herein, or in the Articles of Incorporation or By-Laws, the Board may act in all instances on behalf of the Association, In the performance of their duties, the officers and members of the Board shall exercise ordinary and reasonable care.
- b) The Board may not act on behalf of the Association to amend this Declaration or to elect members of the Board or to determine the qualifications, powers and duties, or terms of office of Board members but the Board may fill vacancies in its membership for the unexpired portion of any term.
- c) Within thirty (30) days after adoption of any proposed budget for the Association, Board shall provide a copy of the Budget to all the Owners, and shall set a date for a meeting for the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery or mailing of the budget to the Owners. Unless at that meeting a majority of all of the owners present in person or by proxy or any larger vote specified in the Articles of Incorporation or By-Laws reject the budget, the budget shall be deemed ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.
- d) The initial members of the Board named in the Articles of Incorporation are:

1. Marie L. Curren
2. Trem Perry

The term of service of the initial members of the Board shall be one(1) year from the date hereof, provided, however, that until (a) the time when Developer no longer owns any Lot in, or planned for the Development, or (b) the expiration of three (3) years from the date hereof, or (c) Developer relinquishes control of the Development in writing, whichever first occurs, Developer may, by written instrument duly recorded in the Probate Court of Baldwin County, Alabama, at any time remove any member of the Board, or replace any member, or name a new member in place of any member who has resigned or died. Until the termination of the period of Developer control, the members of the Board appointed by the Developer may, but need not be, Owners.

After the first to occur of the events described in the preceding paragraph, control of the Development shall be transferred to all Owners (including Developer if it is still a Owner) of a majority of the total Lots in the Development, and thereafter the Owners may, in accordance with the Articles of Incorporation or By-Laws remove any member of the Board or replace any member, or name a new member in such member's place in the event such member for any reason ceases to serve, and fix the term of service of each new member.

The Board shall elect the officers. The Board members and officers shall take office upon election.

- e) Upon the termination of the period of Developer control, the Owners shall elect a Board of at least three members, all of whom shall be Owners, and at least a majority of whom shall be Owners other than the Developer.

ARTICLE VI

PROPERTY RIGHTS IN THE COMMON ELEMENTS

6.1 TITLE TO COMMON ELEMENTS: The legal title to all Common Elements shall be initially reserved by the Developer who, subject to any and all rights reserved by the Developer herein, shall convey such to the Association not later than one (1) year from the date hereof. The Developer and the Association, in accordance with the Articles of Incorporation and By-Laws, shall have the authority to mortgage all or part of the Common Elements for the purpose of improving the Common Elements.

6.2 EXTENT OF MEMBER'S EASEMENTS; The rights and easement of enjoyment created hereby shall be subject to the following:

- a) The right of the Developer and of the Association, in accordance with the Declaration, Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Elements. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such property, to charge admission and other fees as a condition to continued enjoyment by the Members until the mortgage debt is satisfied, whereupon the possession of such property shall be returned to the Association and all rights of the Members hereunder shall be fully restored.
- b) The right of the Association as provided to take such steps as are reasonably necessary to protect the Common Elements against foreclosure.
- c) The right of the Association, as provided in this Declaration, the Articles of Incorporation or By-laws, to suspend the enjoyment rights of any Member for any period during which any assessment due by said Member remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its Rules and Regulations.
- d) All Rights reserved by the Developer, its successors and assigns, in this Article or elsewhere in this Declaration

6.3 RESERVATIONS BY THE DEVELOPER: The Developer reserves unto itself, its successors and assigns:

a. A seven and one-half foot (7 1/2') utility/ drainage easement within the back thirty foot (30') rear setback, and a ten foot (10') utility easement in the front 30 foot (30') front setback as noted on the plat or map of the Development, together with a right-of-way and easement for ingress and egress and easement for utilities, drainage, maintenance, repairs and other related uses over , along , across and under all roads shown on any plat or map of the Development for all purposes relating in any manner to the subdividing, developing or aiding in the development of the Development or any parts or parts thereof or additions thereto by the Developer or others.

b. The right to grant easements and rights-of-ways of ingress and egress and for drainage, utilities, maintenance and repairs along, over, across and under the roads and easement shown on the plat or map of the Development to any person, firm, corporation or entity for use as ingress or egress or for drainage, utilities, maintenance and repairs.

c. The right to,

- 1. Add real estate to the Development;
- 2. Subdivide Lots or convert Lots into Common Elements; and/or
- 3. Withdraw real estate from the Development or any addition thereto.

d. The right to maintain a sales office, management office, or models in the Development and to maintain signs on the Common Elements advertising the Development.

e. The right to such easements as are necessary to perform the duties and obligations of the Developer as are set forth in this Declaration and in the Articles of Incorporation and By-Laws of the Association.

All of the above rights and interests reserved by the Developer may be exercised by the Developer without the consent or concurrence of the Association or any Member. If the Developer exercises all or any of its rights reserved under subparagraph (c) of this Section, the Developer shall prepare, execute, and record an amendment to this Declaration, which must reallocate all allocated interests among all Lots in any reasonable manner prescribed by the Developer which does not discriminate in favor of Lots owned by the Developer or an affiliate of the Developer.

At such time as the Developer no longer owns any Lot or holds any interest in any Lot, then the rights hereby reserved to the Developer shall pass to the Association without any further act or documentation.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

- 1) The ASSESSMENTS levied by MAREM ASSOCIATION shall be used exclusively for the general purposes of promoting health safety, welfare, common benefit and enjoyment by the OWNERS and occupants of MAREM PROPERTY including the maintenance of real and personal property, all as may be specifically authorized from time to time by the MAREM BOARD.
- 2) The ASSESSMENTS provided for herein shall commence as to all lots then existing and subject to ASSESSMENT under this MAREM DECLARATION on the first day of the month following the conveyance of the first LOT by DECLARANT and shall be due and payable in the manner and on a schedule as the MAREM BOARD may provide.
- 3) ANNUAL ASSESSMENTS: The annual assessment for each Lot for 2007 shall be \$200.00, prorated for part of the year, which shall be payable in one annual installment, as shall be fixed and may be changed by the Board from time to time.
- 4) DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS, DUE DATE; the first annual assessment shall be for the calendar year 2007. Each annual assessment shall be due on January 1st of each year. The assessment year and due date may be changed from time to time by the Board, in its discretion.

The due date of any special assessment under the Article shall be fixed in the resolution authorizing such assessment.

- 5) **CAPITAL CONTRIBUTION:** Each Owner buying a Lot from the Developer which has not been previously sold by the Developer, shall pay to the Association at the time of closing of the purchase of such Lot from the Developer, the sum of \$200.00 as a one-time non-refundable contribution to the capital of the Association
- 6) **DUTIES OF THE BOARD OF DIRECTORS WITH REGARD TO ASSESSMENTS** Any change made by the Board of Directors in the date of commencement and/or the amount of the assessment against each Lot for any assessment period shall be made at least thirty (30) days in advance of the due date for said assessment. The Association shall prepare a roster of the Members and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Member. Written notice of any assessment shall be sent to every Member subject thereto, at least thirty (30) days in advance of its due date.

The Association shall upon demand at any time, furnish to any Member liable for any assessment a certificate in writing by an officer of the Association, setting forth whether or not said assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

- 7) **EFFECT OF NON-PAYMENT OF ASSESSMENT:** If any assessment is not paid on the date due, such assessment shall thereupon become delinquent and shall, together with interest thereon and costs of collection thereof, become a continuing lien on the property related to such delinquent assessment which shall bind such property in the hands of the then Owner, and the heirs, devisees, legal representatives, successors and assigns of the Owner. The personal obligation of the then Owner to pay such assessment, however, shall in addition to the lien against such property, remain such Owner's personal obligation.
- 8) If any assessment is not paid within thirty (30) days after the date when due, it shall bear interest from the date of delinquency at the rate of interest from time charged by First Gulf Bank, Gulf Shores, Alabama as its base or prime rate of interest plus four (4%) percent per annum. The Association may bring an action at law against any Owner personally obligated to pay the same, or the Association may foreclose the lien against the property related to such assessment in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days prior notice of the intention to foreclose shall be mailed, postage prepaid, to the Lot Owner and to all persons having a mortgage lien or other interest of record in such Lot as shown in the Association's record of ownership. The Association shall be entitled to the appointment of a Receiver, if it so requests. The Association may pursue either or both remedies, separately and simultaneously, as it may determine without waiver of any remedy and without preclusion of any remedy not pursued. There shall also be added to the amount of such assessment the costs incurred in any action pursued to collect such assessment, including reasonable attorney's fees, regardless of whether litigation is involved. In the

event a judgment is obtained, it shall include interest on the assessment, a reasonable attorney's fee and the costs of the action. If there be more than one Owner personally liable for any assessment, such liability shall be joint and several, and the Association, in its sole discretion, may elect to proceed against one, any, or all of such owners for recovery of the entire sum due with or without proceeding against any other Owner, but without prejudice to its right to proceed against such others.

- 9) **SUBORDINATION OF THE LIEN TO MORTGAGES:** The lien of the assessments provided for herein shall, if required by the lender, be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the property subject to assessment if such mortgage is given to secure a debt arising out of acquisition or improvement of such property; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer by the mortgage and shall not relieve such mortgagee or other purchaser at foreclosure, or any grantee in any deed in lieu of foreclosure, or any successor in title, from liability for any subsequent assessment.
- 10) **VIOLATIONS:** The Board shall, upon request by an Owner, or upon its own initiative, if it so elects, investigate any possible violation of these restrictions and determine by majority vote whether a violation exists. If the Board determines that no such violation exists, it shall give written notice of its determination to the complainant Lot Owner, if any, in person or by registered or certified mail, addressed to such Lot Owner at such Lot Owner's last known address. Should the Board determine that a violation does exist, it shall give written notice of this determination in person or by registered or certified mail to the complainant Lot Owner, if any, and to the Owner of the Lot on which, or as to which such violation exists shall be allowed thirty (30) days after the giving of such notice, or such longer period as the Board may deem appropriate, in which to correct such violation. Should the violation not be corrected within such period, the Board, or any Owner or Owners, shall each have the right, but not the obligation, to prosecute any proceedings at law or in equity against the person or persons found by the Board to be violating any of these restrictions and prevent them from so doing, recover damages for such violation, and obtain any other legal or equitable relief to which they may be entitled under the circumstances. No such proceedings shall be commenced unless the Board fails to act for thirty (30) days after receiving a written complaint violation.
- 11) The MAREM BOARD shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair and replacement. The MAREM BOARD shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of MAREM ASSOCIATION, as shown on the capital budget.

12) SEVERABILITY: All provisions of this Declaration shall be severable.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has caused this instrument to be duly executed on this the _____ day of _____, 2007

DECLARANT:

Marie Curren Manager
Curren Replacement Property, LLC

BY-LAWS

MAREM PLACE PROPERTY OWNERS ASSOCIATION, INC.

an Alabama nonprofit corporation

ARTICLE I: THE ASSOCIATION

Section 1: Identity

MAREM PLACE Property Owners Association, Inc., (the "Association"), a nonprofit corporation, has been formed this date under and pursuant to the Alabama Nonprofit Corporation Act, Sees. 10-3A-1 et seq., Code of Alabama 1975 (hereinafter referred to as the "Act") by filing the .Articles of Incorporation of the Association in the office of the Judge of Probate of Baldwin County, Alabama (the Articles of Incorporation), which are recorded in Miscellaneous Book _____ Pages _____ of the records therein. The Association has been organized and shall be operated to provide exclusively for the management of Marem Place Subdivision (the "Development"), in Bon Secour, Baldwin County, Alabama, and to manage, maintain and administer the Common Elements of the Development, and to administer and enforce the covenants and restrictions set forth in the Marem Place Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions (the "Declaration"). The Association is the "homeowners association" with respect to the Development within the meaning of Sec. 528 of the United States Internal Revenue Code of 1986 (the "Code"), and the Regulations there under.

The terms capitalized herein shall have the meanings set forth in the Articles of Incorporation, unless the context otherwise requires.

Section 2: Principal Office

The principal office of the Association shall be located at the Development on Magnolia Springs Highway Bon Secor, County of Baldwin. State of Alabama, or at such other place in Baldwin County, Alabama as the Board of Directors may designate from time to time. The Association may have such other offices, either within or without the State of Alabama, as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 3: Registered Office and Agent

The Association shall maintain in the State of Alabama a registered office and shall have a registered agent whose business office is identical with such registered office. The

registered office of the Association may be changed from time to time by resolution of the Board of Directors and by filing notice of such change as required by law.

ARTICLE II: MEMBERSHIP

Section 1: Members

As provided in the Articles of Incorporation, the Association shall have only one class of member. The membership of the Association at all times shall consist, exclusively of all Owners (including Developer as long as it owns a Lot) their heirs, successors or assigns. Each Owner shall cease being a member of the Association at the time such Owner no longer owns a Lot. Changes of membership in the Association shall be established by recording in the Probate records of Baldwin County, Alabama, the deed or other instrument establishing record title to a Lot, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated.

Section 2: Annual Meeting

The annual meeting of the Members shall be held on the last Saturday of January each year, beginning with the year 2007, at the hour of 10:00 a.m., or at such other time on such other day as shall be fixed by the Board of Directors, for the purpose of electing directors, if the period of Developer control has ended, and in any event, for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Alabama, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as convenient.

Section 3: Place of Meetings

Annual and special meetings of the Members shall be held at the principal office of the Association, or at such other place, within or without the State of Alabama, as may be designated by the Board of Directors or the person or persons calling the meeting and stated in the notice of the meeting. If no designation is made or stated in the notice, the meeting shall be held at the principal office of the Association.

Section 4: Fixing a Record Date

The Board of Directors may fix in advance a date as the record date for the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or for any other proper purpose. Such date in any case to be not more than sixty (60) days and, in case of a meeting of the Members, not less than ten (10) days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of the Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination has been made, as provided in this Section, such determination shall apply to any adjournment thereof.

Section 5: Voting Lists

The officer or agent having charge of the records of Members of the Association shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meetings, or any adjournment thereof, arranged in alphabetical order, with the address of each Member and the number of votes to which he is entitled, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member making written request therefore at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 6: Notice of Meetings, Quorum and Voting Rights

Notice of meetings of the Members, the determination of whether a quorum is present at any meeting of the Members, and the voting rights of the Members, shall be as set forth in the Declaration. The Secretary or the President shall cause notice of each meeting of the Members to be delivered or sent to each Member in the manner provided in the Declaration.

Section 7: Proxies

Subject to the provisions of the Declaration, at all meeting of Members, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 8: The Order of Business

At annual members' meetings and, as far as practical, at all other members' meetings shall be:

- (1) Call to order.
- (2) Calling of the roll and certifying of proxies.

- (3) Proof of notice of meeting or waiver of notice.
- (4) Reading and disposal of any unapproved minutes.
- (5) Reports of officers.
- (6) Reports of committees.
- (7) Election of Directors.
- (8) Unfinished business.
- (9) New business.
- (10) Adjournment.

Section 9: Informal Action by Members

Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of Members, and may be stated as such in any articles or document filed with the Probate Judge under the Act.

ARTICLE III: BOARD OF DIRECTORS

Section 1 General Powers

As provided in the Articles of Incorporation and the Declaration, the activities and affairs of the Association shall be managed by the Board of Directors, provided, however, that the Board of Directors shall not exercise any power or authority conferred in the Articles of Incorporation, the Declaration, or by the Act upon the Members. The Board of Directors may not act on behalf of the Association to amend the Declaration or to elect members of the Board or to determine the qualifications, powers and duties, or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

The Board of Directors, for the benefit of the Owners, shall have the following powers and duties:

- (1) To exercise all of the powers of the Association with respect to the operation and regulation of the Development which are conferred upon the Board by the Act, or which may be conferred upon the Board by these By-Laws pursuant to such Act, and to exercise all of the powers of the Association which are conferred upon it by law and by its Articles of Incorporation and the Declaration.

- (2) To adopt and publish Rules and Regulations governing the use of the Common Elements and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.
- (3) To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board.
- (4) To provide or cause to be provided all goods and services required by the By-Laws or by law, or which the Board, in its discretion, deems necessary for the proper operation of the Development, or which are used in common or jointly by the common elements and the Lots, in each case to the extent such goods and services shall not be otherwise provided.
- (5) To collect annual assessments from the Owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any Owner.
- (6) To suspend the enjoyment rights of any Members for any period during which any assessment due by said Member remains unpaid; and to adopt and enforce Rules and regulations relating to the conduct of the Members and their invitees and aesthetic considerations pertaining to the Development, and to suspend the enjoyment rights of any Member for a period not to exceed thirty (30) days for any infraction of the Association's Rules and Regulations.
- (7) To elect the officers of the Association and otherwise exercise the powers regarding officers of the Association as set forth in these By-Laws.
- (8) To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.
- (9) To employ a management agent or manager, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this Section; and such duties so conferred upon the managing agent or manager by the Board of Directors may upon five (5) days notice be revoked, modified or amplified by the majority of the votes of the Directors in a duly constituted meeting.
- (10) To enter into a rental management contract, for the purpose of renting Owners homes from time to time for the benefit of the Owners, provided said management contract will provide that all costs and expenses of management be passed on to the Owners utilizing the services of such rental management, and provided further, that any rental management contract shall be for a term not in excess of one (1) year, and that same may be renewed from year to year only by a majority vote of the Board of Directors in a meeting in which renewal of the rental management contract is included in the official notices to the Owners. Such rental management contract must further provide that

upon vote of two-thirds (2/3) of the members of the Board of Directors, at a meeting held for that purpose, that such contract may be terminated at the end of ninety (90) days from appropriate action by the Board.

(11) To take appropriate action to enforce the provisions of the Articles of Incorporation, the Declaration, the Rules and Regulations, and the By-Laws, pursuant to the Act, and pursuant to the general law of Alabama. In connection with same, the Board is authorized to file or defend appropriate suits or request for arbitration filed under any of said instruments, acts or provided for by the laws of Alabama.

(12) To employ attorneys, accountants, and other persons or firms reasonably necessary to carry out the provisions of the Act, the Articles of Incorporation, the Declaration, the By-Laws, and the Rules and Regulations.

Section 2 Number, Tenure and Qualifications

The members of the initial Board of Directors are named in the Articles of Incorporation. As provided therein, the term of service of the initial Board of Directors shall be one (1) year from the date hereof, provided, however, that until (a) the time when Developer (including all planned additional phases of the Development), or (b) the expiration of three (3) years from the date hereof, or (c) Developer relinquishes control of the Development in writing, whichever first occurs, Developer may, by written instrument duly recorded in the Probate Court of Baldwin County, Alabama, at any time remove any Director of the Board, or replace any Director, or name a new Director in place of any Director who has resigned or died. Until the termination of the period of Developer control, the members of the Board of Directors appointed by the Developer may, but need not be, Owners.

After the first to occur of the events described in the preceding paragraph, control of the Development shall be transferred to all Owners (including Developer if it is still a Owner) of a majority of the total Lots in, or planned for, the Development, and thereafter the Owners may remove any member of the Board of Directors, or replace any Director, or name a new Director in such Director's place in the event such Director for any reason ceases to so serve, and fix the term of service of each new Director.

The Developer shall be deemed to be the Owner of each Lot which has not been conveyed to a person other than the Developer. The Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Lot under the Documents.

Upon the termination of the period of Developer's control, the Members shall elect a Board of Directors of at least three (3) members, all of whom shall be Owners, and at least a majority of whom shall be Owners other than the Developer. Thenceforth, the number of directors constituting the Board of Directors shall be not less than three (3) nor more than seven (7), the exact number to be determined and fixed by the Members at the annual meeting or at a special meeting of the Members called for such purpose. The

maximum number of directors may be increased or decreased from time to time in the manner provided by the By-Laws for the amendment thereof, but no decrease shall have the effect of shortening the term of any incumbent Director. Each Director shall hold office until the next annual meeting of the Members and until such Director's successor shall have been elected and qualified or until such Director's death or until such Director shall have resigned or shall have been removed, as provided for herein.

The Board shall elect the officers. The Board of Directors and officers shall take office upon election.

Section 3 Election of Directors

Election of Directors entitled to be elected by the Members shall be held at the annual meeting or at a special meeting of the Members called for such purposes. The election shall be by secret ballot (unless dispensed with by unanimous consent of the Members present and voting) and by a plurality of the votes cast. Cumulative voting for Directors is not authorized.

Section 4 Meetings

Meetings of the Board of Directors, or committees thereof, regular or special, may be held either within or without the State of Alabama. A regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the annual meeting of Members. Other regular meetings may be held upon such notice and such time and place as shall be determined by the Board. Special meetings of the Board of Directors may be called by the President or by any two Directors on three days written notice to each Director, delivered personally or mailed to each Director at such Director's business address or by telegram. The Secretary, at the request in writing of the President or any two Directors, shall send such written notice on their behalf. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If by e-mail, such notice shall be deemed to be delivered when sent. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 5 Meeting by Telephone

Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

Section 6 Quorum

A majority of the whole number of Directors of the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally noticed. If a quorum is present when a meeting is convened, the Directors present may continue to do business, taking action by a vote of a majority of a quorum as fixed above, until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum present, or the refusal of any Directors present to vote.

Section 7 Presumption of Assent

A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 8 Action without a Meeting

Any action required or permitted to be taken by the Board of Directors or a committee thereof at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote of the Directors or of the members of such committee.

Section 9 Resignations

Any Director of the Association may resign at any time, either by oral tender of resignation at any meeting of the Board or by giving written notice thereof to the person acting as secretary of the meeting before the adjournment thereof or by giving such notice to the Secretary of the Association. Such resignation shall take effect at the time specified, therefore and the acceptance of such resignation shall not be necessary to make it effective.

Section 10 Vacancies

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected to serve until the next annual meeting of Members. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 11 Committees of Directors

The Board of Directors, by resolution passed by a majority of the whole Board of Directors, may designate from among its members one or more committees, each committee to consist of one or more of the Directors of the Association. Each such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors, except that no such committee shall have the authority of the Board in reference to amending the Articles of Incorporation, the Declaration or the By-Laws, recommending to the Members a voluntary dissolution of the Association or a revocation of a dissolution, or filling vacancies in the Board of Directors. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 12 Compensation

By resolution of the Board of Directors, the Directors may be paid their expense, if any, of attendance at each meeting of the Board of Directors, but shall otherwise serve without compensation. This shall not preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

Section 13 Budgets

Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all the Members, and shall set a date for a meeting of the Members to consider ratification of the budget not less than ten (10) nor more than sixty (60) days after delivery or mailing of the budget to the Members. Unless at that meeting a majority of all the Members present in person or by proxy or any larger vote specified in the Articles of Incorporation, the Declaration, or by law reject the budget, the budget shall be deemed ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

Section 14 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 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, shareholder, officer, employee, member or otherwise) such person, firm, association or corporation. Any Director of the Association individually, or any firm or association of which any Director 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 such Director, 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 thereof 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, at which action upon any such contract, transaction or other act is taken.

Common or interested Directors may not be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes approves or ratifies such contract or transaction.

ARTICLE IV: OFFICERS

Section 1 Positions

The officers of the Association shall consist of a President, a Vice-President, a Secretary, a Treasurer and such other officers and assistant officers as may be deemed necessary and as may be elected or appointed by the Board of Directors. Any number of offices may be held by the same person.

Section 2 Election and Term of Office

The President, the Vice-president, the Secretary and the Treasurer shall be elected annually by the Board of Directors at the first meeting of the Directors following the annual meeting of the Members. If the election of such officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. The remaining officers, if any, shall be elected by the Board of Directors at the same meeting as the President, the Vice-president, the Secretary and the Treasurer are elected or at any regular or special meeting of the Board of Directors.

Each officer shall hold office at the pleasure of the Board of Directors or until their successor or successors shall have been duly elected and shall have qualified or until their death or until they shall resign or shall have been removed in the manner hereinafter provided.

Section 3 Vacancies

Any vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of the person vacating such office.

Section 4 Removal

Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 5 President

The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the Members and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, contracts, notes, mortgages, deeds or other instruments on behalf of the Association, which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6 Vice-Presidents

In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice-president (or in the event there be more than one Vice-president, the Vice-president in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the President. The Vice-President (or if there be more than one, each Vice-President) shall perform such other duties as from time to time may be assigned to them by the President or by the Board of Directors.

Section 7. Secretary

The Secretary shall keep the minutes of the proceeding of the Members and of the Board of Directors in one or more books provided for that purposes; see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized; keep a register of the post office address and e-mail address, if available, of each Member which shall be furnished to the Secretary by such Member; and in general perform all duties incident to the office of

secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

Section 8. Treasurer

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositaries as shall be designated by the Board of Directors; and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 9. Assistant Secretaries and Assistant Treasurers

The Assistant: Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Treasurer, or, if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. The Board of Directors may require any Assistant Treasurer to give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

ARTICLE V: WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of the Constitution of Alabama, the Act, the Article of Incorporation, the Declaration, or the By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors or any committee designated thereby need be specified in the waiver of notice. The attendance of a Member or Director at a meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a person signs the minutes of a meeting of the Members or the Board of Directors or any committee thereof, the signing of the minutes of such meeting, even though such person may not have been present, shall constitute a waiver of notice of the meeting and assent to all action taken at the meeting entered in the minutes of such

meeting except such action as such person shall have dissented against at the meeting and which shall be entered in the minutes of the meeting.

ARTICLE VI: MISCELLANEOUS

Section 1. Fiscal Year

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 2. Corporate Seal

The Board of Directors shall select a corporate seal which shall be circular in form and shall have inscribed therein the name of the Association and the words "Alabama" and "Corporate Seal". The seal of the Association may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 3. Contracts

The Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any note, mortgage, deed or other instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 4. Loans

No loan shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in the name of the Association unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 5. Checks, Drafts, etc

All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents of the Association and in such manner as shall from time to time be authorized by the Board of Director.

Section 6. Deposits

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII: PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Act, the Articles of Incorporation, the Declaration, or these By-Laws.

ARTICLE VIII: AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors or by the Members at any regular or special meeting, provided, however, that the Board of Directors may not alter, amend or repeal any By-Law establishing what constitutes a quorum at Members' meetings.

The foregoing are adopted as the Bylaws of the Marem Place Property Owners Association, Inc., at the first meeting of the Board of Directors, held on the ___ day of January, 2007.

IN WITNESS WHEREOF, Marem Place Property Owners Association, Inc., a corporation not for profit, has caused these By-Laws to be executed by Marie L. Curren, its duly authorized President and the corporate seal of said Corporation to be hereunto affixed and attested by Trem Perry, its duly authorized Secretary this ___ day of January, 2007.

MAREM PLACE PROPERTY
OWNERS ASSOCIATION, INC.
a corporation not for profit

ATTEST:

By: _____
Its President

By: _____
Its Secretary

SUMMARY OF RESTRICTIVE COVENANTS

USE: All lots in the tract shall be known and described as residential lots and shall be used solely for single family residential purposes and shall not be used for commercial trade, public amusement, entertainment, or business purpose on any kind. No structure shall be erected, altered, placed or permitted to remain on any residential building lot other than one detached single family dwelling and a private garage for not more than two cars. One out building shall be allowed per lot provided it is approved by the association and is placed behind fence hidden from visibility from the street.

GARBAGE AND REFUSE DISPOSAL: No lot or home owner shall use any portion of his lot for the collection or storage of trash, garbage, old parts, old equipment, or other unsightly articles.

NUISANCES: No lot or homeowner shall be allowed to use property for such activities as parking trailers, recreational vehicles, buses, boats, inoperable motor homes, cars, trucks not in use or for repairs of same. Parking of all vehicles shall be limited to the paved areas in each yard. Parking on grass is not permitted.

TEMPORARTY RESIDENCE: No tent, shack, garage, mobile home, or other out building shall be erected or placed on any lot, shall be at any time used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. Mobile trailers, mobile homes, motor homes, campers, recreational vehicles and or trailers and boats may not be kept on any premises.

SIGNS: No sign of any kind shall be displayed to the public view on any lot except one professionally lettered and not more that five square feet in size, which may advertise the property for sale or rent.

ANIMALS: No chickens, horses, pigs, cows, sheep, goats, or other recreational, work, farm or large animals of any kind shall be kept or maintained in the Development. Any animals of any kind that are kept or maintained by any Lot Owner shall be fenced or restrained in such manner that they may not run loose upon other properties within the Development and may be further restricted by subsequent rules and regulations of the Association.

FENCES: No fence may be erected nearer to the front lot line than the front corner of the house on said lot, and any such fence shall be constructed of wood or other decorative material, and be in conformity with the architectural design of the residential structure and shall not exceed six feet in height.

MAINTENANCE OF PROPERTY: All structures, improvements, yards driveways and landscaping must be diligently and properly maintained in a neat and sanitary condition so as to secure the aesthetics of the subdivision.