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ARTICLES OF INCORPORATION

OF

HOLIDAY ISLE 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, and the Alabama Uniform Condominium Act of 1991, Section 35-8A-101 et seq., Code of Alabama (1975) (hereinafter referred to as the "Act").

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

(A) "Association" or "Corporation" means the corporation formed hereby as the owners association with respect to **Holiday Isle, A Condominium**.

(B) "Common Elements" means all portions of the Condominium other than the Units. The Limited Common Elements are part of the Common Elements, and all references herein to the Common Elements shall include the Limited Common Elements unless the context otherwise requires.

(C) "Condominium" means **Holiday Isle, A Condominium**, and all additions thereto.

(D) "Condominium Act" means the Alabama Uniform Condominium Act of 1991, Code of Alabama 1975, Secs. 35-8A-101 et seq.

(E) "Condominium Documents" or "Documents" means the Declaration and the Articles of Incorporation, By-Laws and Rules and Regulations of the Association, as the same may be amended from time to time.

(F) "Declaration" means the Declaration of Condominium of **Holiday Isle, A Condominium**, as the same may be amended from time to time.

(G) "Developer" means **Holiday Isle, L.L.C.**, an Alabama limited liability company, its successors and assigns of its development rights in respect to the Condominium.

(H) "Limited Common Elements" means the building or buildings containing the Units (but excluding the Units themselves), and all portions of the Common Elements designated on the Plat or Plan or by the Declaration as Limited Common Elements, and any areas defined in the Act as Limited Common Areas, for the exclusive use of one or more but fewer than all of the Units. The building containing the Units, or if more than one, each building containing Units shall be a Limited Common Element for the exclusive use of the Units contained in such building, except that

the covered deck or balcony appurtenant to each Unit shall be a Limited Common Element for the exclusive use of such Unit and not the building as a whole. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Unit or Units to which it was originally assigned as a Limited Common Element.

(I) "Members" means the members of the Association.

(J) "Owner" means the record owner, whether one or more persons or entities, of a vested interest in the fee simple title to a Unit. If title to a Unit is split between estates for life or for 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, he shall be and become the "Owner" within the meaning of the Condominium Documents, and the debtor and debtors shall no longer be an Owner regardless of whether there is outstanding a right of redemption.

(K) "Plat" means the plat or plan of the Condominium attached to the Declaration as Exhibit "A" and made a part thereof, as the same may be amended from time to time.

(L) "Property" or "Condominium Property" means the parcel of land comprising the Condominium described herein, together with all other real estate, if any, from time to time added to the Condominium, and all buildings, structure and improvements thereon, together with all and singular the rights, members, privileges and appurtenances thereunto belonging, or in anywise appertaining, subject to all easements, exceptions and reservations described in the Declaration.

(M) "Rules and Regulations" means the Rules and Regulations relating to the conduct of the Owners and their invitees and aesthetic considerations pertaining to the Condominium Property and from time to time adopted by the Members in accordance with the Declaration and the By-Laws.

(N) "Unit" means a physical portion of the Condominium designated for separate ownership or occupancy by an Owner, the boundaries of which are described in the Declaration or on the Plat, together with the undivided interest in the Common Elements allocated to such Unit as provided in the Declaration.

If additional real estate is added to the Condominium, the portions thereof designated for separate ownership or occupancy by an Owner shall not be considered a Unit for any purpose hereunder until the Declaration has been amended in the manner provided therein adding such real estate to the Condominium, and such amendment has been recorded in the Probate Court of Mobile County, Alabama.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Declaration.

2. Name of Corporation. The name of the corporation is **Holiday Isle Owners Association, Inc.** (referred to herein 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 the Condominium, a residential condominium located at 1601 Bienville Boulevard, Dauphin Island, Alabama, and, subject to the rights reserved in the Declaration by the Developer, to manage, maintain and administer the Common Elements; and to administer and enforce the covenants and restrictions set forth in the Declaration and to adopt, amend and enforce the Rules and Regulations, and shall have all other powers and duties set forth in the Act, applicable provisions of the Condominium Act, the Declaration, the Articles of Incorporation and the By-Laws.

The Property comprising the Condominium is situated in Mobile County, Alabama and consists of the following described parcel of land, which contains approximately 3.0533 acres, and the building, improvements and structures thereon; together with all and singular the rights, members, privileges and appurtenances thereunto belonging, or in anywise appertaining:

Beginning at the Northeast corner of Block W-T, 1953 Subdivision of Dauphin Island, ALA according to plat recorded in Map Book 7, Pages 1-21 of the Probate Court Records of Mobile County, Alabama; said point being on the South right-of-way line of Bienville Boulevard (150' R/W); thence run South 00° 13' 08" West a distance of 200.00 feet to the Southeast corner of said Block W-T; thence along the South line of said Block W-T run North 89° 41' 40" West a distance of 665.00 feet to a point; thence run North 00° 13' 08" East a distance of 200.00 feet to a point on the aforementioned south right-of-way line of Bienville Boulevard; thence along said South right-of-way line of Bienville Boulevard run South 89° 41' 40" East a distance of 665.00 feet to the Point of Beginning, containing 3.0533 acres more or less.

The Corporation shall be the "owners association" with respect to the Condominium within the meaning of Sec. 528 of the United States Internal Revenue Code of 1986 (the "Code"), and the Regulations thereunder.

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 Condominium Property and shall expend its funds exclusively for such purpose.

No part of the net earnings of the Association shall inure (other than by providing management, maintenance, and care of the Condominium Property and other than by a 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 the Declaration and all powers given corporations by the Act and given to it by the Condominium Act, and any act hereafter amendatory thereof, supplementary thereto or substituted therefor, 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 an owners association under Sec. 528 of the Code and the Regulations thereunder.

5. Members. 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 Unit), their heirs, successors or assigns. Each Owner shall cease being a member of the Association at the time he no longer owns a Unit. Change of membership in the Association shall be established by recording in the Probate records of Mobile County, Alabama, the deed or other instrument establishing record title to a Unit, 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.

6. Meetings. A meeting of the members of the Association ("Members") shall be held at least once each 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 twenty percent (20%) of the votes in the Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the Secretary, the President or other officer authorized by the Board shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing 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 Bylaws, any budget changes and any proposals to remove an officer or member of the Board.

7. Quorum. Unless the By-Laws otherwise provide, a quorum shall be present throughout any meeting of the Members if persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board are present in person or by proxy at the beginning of the meeting.

8. Voting Rights. Each Unit, regardless of the size of the Unit, and except as provided herein regarding Units that have been combined or subdivided, shall be entitled to one (1) vote on

each matter submitted to a vote of the Members. If two or more Units are combined, the number of votes formerly allocated to such Units shall be allocated to the combined Unit. If a Unit is subdivided, the votes formerly allocated to the subdivided Unit shall be reallocated to the new Units created thereby in any reasonable manner prescribed by the Owner of the subdivided Unit who subdivides the Unit. If a Unit is owned by more than one person, the Owners of the Unit, 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 Unit is present at a meeting of the Association, he shall be entitled to cast all the votes for that Unit. If more than one of the multiple Owners are present, the votes for that Unit may be cast only in accordance with a written agreement of a majority in interest of the multiple Owners, unless the Bylaws expressly provide otherwise. There shall be a majority agreement if any one of the multiple Owners of the Unit casts the votes for that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

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 term.

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 Act, the Condominium Act, or the By-Laws.

9. Board of Directors. The activities and affairs of the Association shall be managed by a Board of Directors, initially consisting of three (3), provided, however, that the Board of Directors shall not exercise any power or authority conferred herein or by the Act, the Condominium Act, the Declaration, or the Bylaws, upon the Members. Except as provided in the Act, the Condominium Act, the Declaration, or 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 members of the Board shall exercise ordinary and reasonable care.

The Board may not act on behalf of the Association to amend the Declaration, these Articles of Incorporation, the By-Laws or the Rules and Regulations, 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:

Paul Charles Wesch
41 West I-65 Service Road North
Suite 300
Mobile, Alabama 36608

Carla Waters
41 West I-65 Service Road North
Suite 300
Mobile, Alabama 36608

Kim Garris
41 West I-65 Service Road North
Suite 300
Mobile, Alabama 36608

The term of service of the initial members of the Board shall be one (1) year from the date of the Declaration, provided, however, that, except as provided in Section 10 hereof regarding members of the Board required to be elected by the Members other than the Developer, during the period of Developer control of the Association, Developer may, by written instrument duly recorded in the Office of the Judge of Probate of Mobile 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.

Upon the termination of the period of Developer control, the Owners shall elect a Board 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.

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

10. Control of the Association. Notwithstanding the foregoing, the Developer, its successors or assigns, may appoint and remove the members of the Board of Directors, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (i) sixty (60) days after seventy-five percent (75%) of the total number of Units which may be created have been conveyed to Owners other than Developer, or (ii) two (2) years after any development right to add new Units was last exercised; provided that the Developer may, at its option, voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period, but in such event, Developer may require, for the duration of the period of Developer control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective.

The foregoing notwithstanding, within ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Owners other than Developer, the Owners other than Developer shall be entitled to elect at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Owners other than Developer, not less than thirty-three and one-third (33 1/3%) of the members of the Board shall be elected by the Owners other than Developer. The Developer shall be entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units which may be created, and such right is not contrary to the other provisions hereof or the provisions of the Declaration, the Act or the Condominium Act.

Within sixty (60) days before the date of termination of Developer control, the Association shall call and give not less than ten (10) days nor more than thirty (30) days notice of a meeting of the Owners for the purpose of electing the members of the Board of Directors.

The Developer shall be deemed to be the Owner of each Unit 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 Unit under the Condominium Documents.

11. Registered Office and Agent. The location and mailing address of the initial registered office of the Corporation is **41 West I-65 Service Road North, Suite 300, Mobile, Alabama 36608**. The name of the Corporation's initial registered agent at such address is **Paul Charles Wesch**.

12. Incorporator. The name and address of the incorporator of the Corporation is **Holiday Isle, L.L.C., 41 West I-65 Service Road North, Suite 300, Mobile, Alabama 36608**.

13. Amendment. These Article of Incorporation may be amended, altered or changed only by the affirmative vote of the Members representing not less than sixty-six and two-thirds percent (66 2/3%) of the total allocated votes in the Association (determined as provided in the Declaration), 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 an owners association under Sec. 528 of the Code and the Regulations thereunder.

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, stockholder, 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 he, 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, and if such fact shall be so disclosed or known, any director of the Association so related or otherwise interested may be counted in determining the presence of a quorum of any meeting of the Board of Directors or of such committee, at which action upon any such contract, transaction or act shall be taken, and may vote with respect to such action with like force and effect as if he were not so related or interested. Any director of the Association may vote upon any contract or other transaction between the Association and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

15. 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 he 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 expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such claim, action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his 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 the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

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 he 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 expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests 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 his 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 Section, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, notwithstanding that he 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 Section (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 he has met the applicable standard of conduct set forth in paragraphs one and two of this Section. 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, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by 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 he is not entitled to be indemnified by the Association as authorized in this Section.

The indemnification authorized by this Section 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 Section) to which those indemnified may be entitled under any statute, rule of law, provisions of articles of incorporation, bylaw, agreement, or disinterested directors, or otherwise, both as to action in his 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 him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provision of this Section.

IN WITNESS WHEREOF, the incorporator has hereunto set its hand and seal on this, the 6th day of April, 2007.

HOLIDAY ISLE, L.L.C.

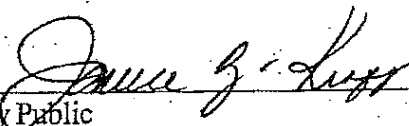
By: **THE MITCHELL COMPANY, INC.**
Its Manager

By: 
PAUL CHARLES WESCH
Its Executive Vice President

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned notary public in and for said state and county, hereby certify that **Paul Charles Wesch**, whose name as **Executive Vice President of The Mitchell Company, Inc.**, an Alabama corporation, in its capacity as **Manager of Holiday Isle, L.L.C.**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal this 6th day of April, 2007.



Notary Public
My Commission Expires: 11-16-09

THIS INSTRUMENT WAS PREPARED BY:

Douglas L. Anderson, Esquire
Bowron, Latta & Wasden, P.C.
Post Office Box 16046
Mobile, Alabama 36616

State of Alabama-Mobile County
I certify this instrument was filed on:
April 9, 2007 @ 3:59:56 PM
RECORDING FEE \$25.00
S.R. FEE \$2.00
RECORDING FEES \$1.00
TOTAL AMOUNT \$28.00

2007026607
Don Davis, Judge of Probate

STATE OF ALABAMA

PROBATE COURT OF MOBILE COUNTY Incorporation/Amendment/Dissolution Certificate

I, *Don Davis*, as Probate Judge in and for Mobile County, Alabama, do hereby certify that the forgoing Articles, duly signed and verified pursuant to the provisions of Alabama Statute, have been received and recorded in this office and are found to comply with law in such matters. Accordingly, the undersigned Probate Judge, by the authority so vested, hereby issues this Certificate.

Given under My Hand and Official Seal of the Probate Court of Mobile County, Alabama this *Monday, April 09, 2007*



Don Davis, Probate Judge
Mobile County, Alabama

Recorded at Book: 6162
Page: 450
Clerk: PCML04

