

ARTICLES OF INCORPORATION

OF

**CASWELL @ BAYOU ST. JOHN PROPERTY OWNER'S ASSOCIATION,
A NON-PROFIT CORPORATION**

The undersigned, acting as Incorporator, does hereby form a corporation under the Alabama Non-Profit Corporation Act, Code of Alabama (1975), Section 10-3A-1, et seq. ("ACT") and adopts the following ARTICLES OF INCORPORATION;

ARTICLE ONE

NAME

The name of this Corporation shall be CASWELL @ BAYOU ST. JOHN OWNER'S ASSOCIATION, INC. ("ASSOCIATION").

ARTICLE TWO

DEFINITIONS

All terms used herein shall have the meaning given for each of them stated in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CASWELL @ BAYOU ST. JOHN, A PLANNED UNIT DEVELOPMENT ("DECLARATION"), unless the context otherwise requires, and are hereby incorporated by reference and made a part hereof. In the event of a conflict between the provisions of the DECLARATION, ARTICLES OF INCORPORATION or BY-LAWS, the DECLARATION prevails, except to the extent the DECLARATION is inconsistent with the ACT.

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ARTICLE THREE

PERIOD OF DURATION

The period of duration for the ASSOCIATION is perpetual unless and until hereafter legally dissolved.

ARTICLE FOUR

NOT FOR PROFIT

The ASSOCIATION is not organized for pecuniary profit, and it shall pay no dividend, and shall distribute no part of its income to its MEMBERS, DIRECTORS or officers. Nevertheless, the ASSOCIATION may pay compensation in a reasonable amount to its

MEMBERS, DIRECTORS and officers for services rendered, and it may confer benefits on its MEMBERS in conformity with the DECLARATION and for the purposes of the ASSOCIATION. On termination, the ASSOCIATION may make distributions to its MEMBERS as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income. All funds and properties acquired by the ASSOCIATION and the proceeds therefrom shall be held in trust for the MEMBERS of the ASSOCIATION in accordance with the provisions of the ACT, the DECLARATION and the BY-LAWS of the ASSOCIATION. The MEMBERS of this ASSOCIATION shall not be personally liable for the debts, liabilities or obligations of this ASSOCIATION.

ARTICLE FIVE

PURPOSES

The ASSOCIATION is organized for the purpose of administering, maintaining, operating and managing the PLANNED UNIT DEVELOPMENT known as CASWELL @ BAYOU ST. JOHN ("PLANNED UNIT DEVELOPMENT") located in Baldwin County, Alabama, according to the DECLARATION and to do all things incident, necessary, convenient, expedient, ancillary or in aid of the accomplishment of the foregoing.

ARTICLE SIX

POWERS

The ASSOCIATION shall have all the common law and statutory powers of a non-profit corporation and shall have all the powers, duties and authority vested in the ASSOCIATION by the ACT, the DECLARATION or these ARTICLES, including but not limited to the following:

1. Exercise all of the powers and privileges and to perform all of the duties and obligations of the ASSOCIATION as set forth in the DECLARATION applicable to the PROPERTY and recorded or to be recorded in the Office of the Judge of Probate of Baldwin County, Alabama and as the same may be amended from time to time as therein provided, the DECLARATION being incorporated herein as if set forth at length;
2. Fix, levy, collect and enforce payment by any lawful means, all charges or ASSESSMENTS pursuant to the terms of the DECLARATION; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the ASSOCIATION, including all licenses, taxes or governmental charges levied or imposed against the property of the ASSOCIATION;
3. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the ASSOCIATION;
4. Borrow money, and with the assent of the vote of two-thirds (2/3) of the total votes entitled to be cast by MEMBERS of the ASSOCIATION, mortgage, pledge, deed in trust

or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

5. Dedicate, sell or transfer all or any part of the COMMON AREA or COMMON PROPERTY to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS according to the terms of the DECLARATION.

6. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and COMMON AREA, according to the terms of the DECLARATION;

7. Have and to exercise any and all powers, rights and privileges which a corporation organized under the ACT may now or hereafter have or exercise.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may or hereafter be allowed or permitted by Alabama Law or by the DECLARATION.

ARTICLE SEVEN

MEMBERSHIP AND VOTING RIGHTS

This ASSOCIATION shall issue no shares of stock of any kind or nature whatsoever. Every PERSON or entity who is a record OWNER of a fee interest or undivided fee interest in any LOT in the PROPERTY shall be a MEMBER of the ASSOCIATION. The foregoing is not intended to include PERSONS or entities who hold an interest merely as security for the performance of an obligation, unless and until such security holder or MORTGAGEE has acquired title to the LOT pursuant to foreclosure or any proceeding in lieu thereof and the deed thereby evidencing title has been duly and properly recorded at which time such security holder or MORTGAGEE shall become a MEMBER and the debtor's membership shall thereupon cease, regardless of whether or not there is an outstanding right of redemption to the LOT. Membership shall be appurtenant to and may not be separated from the ownership of any LOT. The share of a MEMBER in the funds or assets of the ASSOCIATION cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the LOT. The MEMBERS shall enjoy such qualifications, rights and voting rights as may be fixed in the DECLARATION and in the BY-LAWS of the ASSOCIATION.

ARTICLE EIGHT

BOARD OF DIRECTORS

The property, business and affairs of the ASSOCIATION shall be managed by a BOARD OF DIRECTORS consisting of a number which is not less than three (3) but not more than, five (5) which, from time to time, shall be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the MEMBERS. Except as may otherwise be provided in

the DECLARATION and in the BY-LAWS, each DIRECTOR may be either a PERSON designated by the DECLARANT or a PERSON entitled to cast a vote in the ASSOCIATION. DIRECTORS may be designated or elected and removed, and vacancies on the BOARD OF DIRECTORS shall be filled as provided in the DECLARATION and in the BY-LAWS. All the duties and powers of the ASSOCIATION existing under the DECLARATION, these ARTICLES and the BY-LAWS shall be exercised exclusively by the BOARD OF DIRECTORS, its agents, contractors or employees, subject only to approval by LOT OWNERS when such approval is specifically required by the DECLARATION, these ARTICLES or the BY-LAWS.

The initial BOARD OF DIRECTORS shall be composed of three (3) DIRECTORS. The names and addresses of the three (3) DIRECTORS of the initial BOARD OF DIRECTORS, who shall hold office until election or appointment of their successors, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Leonard A. Kaiser	c/o Kaiser Realty, Inc. Post Office Drawer 1018 Gulf Shores, Alabama 36547
T. E. Mitchell	Post Office Box 579 Bay Minette, Alabama 36507
Dennis Leonard Kaiser	8967 Escambia Avenue Elberta, Alabama 36530

ARTICLE NINE

BY-LAWS

The BY-LAWS of the ASSOCIATION shall be adopted by the BOARD OF DIRECTORS and may be altered, amended or rescinded in the manner provided by the BY-LAWS.

ARTICLE TEN

OFFICERS

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

<u>NAME</u>	<u>OFFICE</u>	<u>ADDRESS</u>
Leonard A. Kaiser	President	c/o Kaiser Realty, Inc. Post Office Drawer 1018 Gulf Shores, Alabama 36547
T. E. Mitchell	Vice-President	Post Office Box 579 Bay Minette, Alabama 36507
Dennis Leonard Kaiser	Secretary/Treasurer	8967 Escambia Avenue Elberta, Alabama 36530

ARTICLE ELEVEN

INDEMNIFICATION AND LIMITATION OF LIABILITY

Every DIRECTOR and every officer of the ASSOCIATION shall be indemnified by the ASSOCIATION against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon each DIRECTOR in connection with any proceeding to which each DIRECTOR may be a party, or in which each DIRECTOR may become involved, by reason of his or her being or having been a DIRECTOR or officer of the ASSOCIATION, whether or not he or she is a DIRECTOR or officer at the time such expenses are incurred, except in such cases wherein the DIRECTOR or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the BOARD OF DIRECTORS approve such settlement and reimbursement as being in the best interest of the ASSOCIATION. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such DIRECTOR or officer may be entitled.

A DIRECTOR of the ASSOCIATION shall not be liable to the ASSOCIATION or its MEMBERS for money damages for any action taken, or any failure to take action, as a DIRECTOR, except for (i) the amount of a financial benefit received by such DIRECTOR to which such DIRECTOR is not entitled; (ii) an intentional infliction of harm by such DIRECTOR

on the ASSOCIATION or its MEMBERS; (iii) a violation of the Code of Alabama (1975), Section 10-2B-8.33 or any successor provision to such section; (iv) an intentional violation by such DIRECTOR of criminal law; or (v) a breach of duty of loyalty by such DIRECTOR to the ASSOCIATION or its MEMBERS. If the Alabama Business Corporation Act, or successor statute thereto, is hereafter amended to authorize the further elimination or limitation of the liability of a DIRECTOR of a corporation, or to provide greater rights of indemnification for any officer, Director, agent or employee of a corporation, then the liability of a DIRECTOR of the ASSOCIATION, in addition to the limitations on liability provided herein, shall be limited to the fullest extent permitted by the Alabama Business Corporation Act as amended or any successor statute thereto, and the rights of indemnification of such officer, DIRECTOR, employer or agent shall be similarly enhanced to the fullest extent thereby permitted. Any repeal or modification of this ARTICLE by the MEMBERS of the ASSOCIATION shall be prospective only and shall not adversely affect any limitation on the liability or rights of indemnification of a DIRECTOR of the ASSOCIATION existing at the time of such repeal or modification.

ARTICLE TWELVE

INCORPORATOR

The name and address of the Incorporator of the ASSOCIATION is:

<u>NAME</u>	<u>ADDRESS</u>
Caswell Development Co., L.L.C., An Alabama Limited Liability Company	215 East 1 st Street Bay Minette, Alabama 36507

ARTICLE THIRTEEN

DECLARANT CONTROL

The DECLARANT shall retain control of the ASSOCIATION in accordance with the terms and conditions of the DECLARATION.

ARTICLE FOURTEEN

REGISTERED OFFICE AND AGENT

The location address and mailing address of the initial registered office of the ASSOCIATION is 215 East 1st Street, Post Office Box 579, Bay Minette, Alabama, 36507. The name of the initial agent at such address is T. E. Mitchell.

ARTICLE FIFTEEN

AMENDMENT

These ARTICLES may be amended as provided in the ACT, provided that no amendment shall be in conflict with the DECLARATION and provided further that no amendment shall be effective to impair or dilute any rights of any MEMBERS that are governed by the DECLARATION.

ARTICLE SIXTEEN

RELATED PARTY TRANSACTIONS

No contract or other transaction between the ASSOCIATION or any PERSON, firm, association or corporation and no other act of the ASSOCIATION shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the DIRECTORS 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 or she, 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 or she 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 or she is also a director of such affiliated corporation.

ARTICLE SEVENTEEN

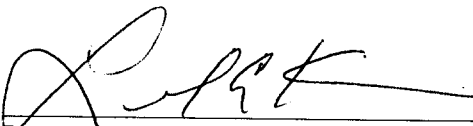
DISSOLUTION

The ASSOCIATION shall be dissolved upon the termination of the PLANNED UNIT DEVELOPMENT in the manner provided by the DECLARATION. Upon dissolution of the ASSOCIATION, the assets of the ASSOCIATION, if any, and all money received by the ASSOCIATION from its operations, after the payment in full of all debts and obligations of the ASSOCIATION, of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided for in the ACT.

IN WITNESS WHEREOF, the Incorporator has caused this instrument to be executed
this the 25 day of January, 2005.

CASWELL DEVELOPMENT CO., L.L.C.
An Alabama Limited Liability Company

By: 
T. E. Mitchell
Its: Manager


By: 
Leonard A. Kaiser
Its: Manager

STATE OF ALABAMA :

COUNTY OF BALDWIN :

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared T. E. Mitchell whose name as Manager of CASWELL DEVELOPMENT CO., L.L.C., an Alabama Limited Liability company, is signed to the foregoing instrument and who being by me first duly sworn deposes and say that he is authorized to execute this instrument on behalf of the Company and that the facts contained in the above and foregoing ARTICLES OF INCORPORATION are true and correct.

Given under my hand and seal on this the 25 day of January, 2005.

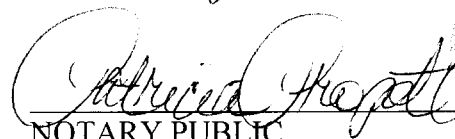

NOTARY PUBLIC
My Commission expires:
10-14-05

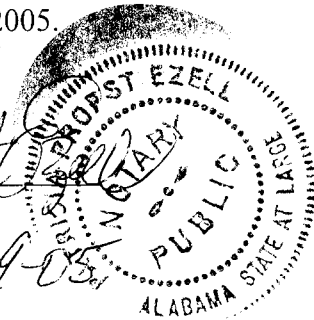
STATE OF ALABAMA :

COUNTY OF BALDWIN :

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Leonard A. Kaiser whose name as Manager of CASWELL DEVELOPMENT CO., L.L.C., an Alabama Limited Liability company, is signed to the foregoing instrument and who being by me first duly sworn deposes and say that he is authorized to execute this instrument on behalf of the Company and that the facts contained in the above and foregoing ARTICLES OF INCORPORATION are true and correct.

Given under my hand and seal on this 25 day of January 2005.


NOTARY PUBLIC
My Commission expires: 10-19-05



THIS INSTRUMENT PREPARED BY:

ROBERT A. WILLS
WILLS AND SIMON
ATTORNEYS AT LAW
P O BOX 547
BAY MINETTE, AL 36507
(251) 937-2411

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

2005 January -25 11:54AM

Instrument Number 866184 Pages 9
Recording 25.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate