

RECORD FEE 25.00
STATE OF ALABAMA
BALDWIN COUNTY
I CERTIFY THIS INSTRUMENT
FILED AND TAXES COLLECTED

APR 1 12 59 PM '89

RECORDED BY MISC 87 933
JUDGE OF PROBATE

ARTICLES OF INCORPORATION
OF
THE PROPERTY OWNERS ASSOCIATION OF AZALEA TRACE SUBDIVISION, INC.
(A Nonprofit Corporation)

The undersigned, acting as incorporator of a nonprofit corporation under the Code of Alabama (1975), as amended, adopts the following articles of incorporation for such nonprofit corporation:

FIRST: The name of the corporation is THE PROPERTY OWNERS ASSOCIATION OF AZALEA TRACE SUBDIVISION, INC., hereinafter referred to as the "Association."

SECOND: The period of the its duration is perpetual.

THIRD: The Association does not contemplate pecuniary gain or profit to its members, and the specific purposes for which it is formed are:

- (a) Primarily to provide for government, preservation and architectural control of the residential Lots and Common Area within the property known as Azalea Trace Subdivision, (Phase 1), Baldwin County, Alabama concerning only the parts thereof which are platted (including common areas) and recorded in the Baldwin County Probate Court as each such plat is recorded.
- (b) To promote the health, safety and welfare of the residents and non-residential owners within the above-described property and any additions thereto as may be brought within the jurisdiction of the Association.
- (c) To be and constitute the Association described in the Declaration of Covenants Regarding Azalea Trace Subdivision (Phase 1), (hereinafter referred to as the "Declaration"), which Declaration is part of the records in the office of the Judge of Probate of Baldwin County, Alabama, and to perform all obligations and duties and to exercise all rights and powers of the Association as specified in the Bylaws of the Association, and as provided by all applicable statutes.
- (d) To constitute a business entity by which the interests of the owner/developer of the Azalea Trace Subdivision development may be furthered.
- (e) To engage in any lawful act or activity for which nonprofit corporations may be organized under the laws of the State of Alabama.

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FOURTH: The powers of the Association shall include and be governed by the following provisions:

- (a) No member, director, or officer of the Association shall receive any distribution of the income or other assets of the Association.
- (b) The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles, the Declaration and the Bylaws of this Association.
- (c) The Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in these Articles, the Declaration, or the Bylaws of the Association as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length including, without limitation, the following:
 - (i) To 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;
 - (ii) To manage, control, operate, maintain, repair, and improve property subject to the Declaration or any other property for which the Association by rule, regulation, Declaration, or contract has a right or duty to provide such services;
 - (iii) To 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;
 - (iv) To enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration of Bylaws;
 - (v) To borrow money for any purpose, as limited in the Bylaws, and with the assent of two-thirds (2/3) of each class of members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

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- (vi) To dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (vii) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or to annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each class of members;
- (viii) To enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;
- (ix) To act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms or individuals;
- (x) To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration;
- (xi) To provide any and all supplemental municipal services as may be necessary or proper;
- (xii) To have and exercise any and all powers, rights, and privileges that a non-profit corporation organized under the Non-Profit Organization Act of the State of Alabama by law may now or hereafter have or exercise;
- (xiii) The powers specified in the foregoing clauses shall, except where otherwise expressed, be in no wise limited or restricted by reference to or inference from the terms of any other clause wherein contained, but the powers specified in each of the foregoing clauses of this Article shall be regarded as independent powers.

- (d) Terms contained in this instrument and not expressly defined herein shall have the same meanings provided in the Declaration.

FIFTH: The Association shall not have the authority to issue certificates or shares of stock, but shall be composed of members, subject to the following terms and conditions:

- (a) The Association shall have two classes of members, with the owner of each lot subject to the Declaration being a member of the Association and entitled to vote in accordance with the formula set forth in the Declaration, except there shall be no vote for any lot owned by the Association, with the exercise of voting rights to be determined by the Bylaws of the Association.
- (b) Any change of membership shall be evidenced by filing for record a deed or other appropriate instrument in the Office of the Judge of Probate of Baldwin County, Alabama, which deed or other instrument shall establish record title to a Lot or other real property subject to the Declaration, which deed or other instrument shall be deemed to qualify as written notice to the Association or such change in ownership. The Grantee designed in such deed or other instrument automatically becomes a member of the Association; the membership of the prior owner is contemporaneously terminated.
- (c) The share of a member of the Association in the assets of said Association shall not be conveyed, assigned, hypothecated, sold, or transferred in any manner, except as an appurtenance of his Lot.

SIXTH: The business of the Association shall be managed by the Board of Directors of the Association. The names and addresses by the persons who are to serve as the initial Board of Directors are as follows:

JOHN FOLEY
Post Office Box 1047
Foley, Alabama 36536

CATHRYN FOLEY
Post Office Box 1047
Foley, Alabama 36536

JULIAN B. BRACKIN
Post Office Box 998
Foley, Alabama 36536

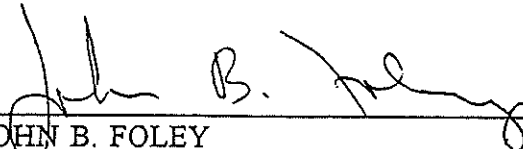
There shall be three directors on the Board of Directors for this organization. There will be an election conducted each year for a succeeding Board of Directors. The specific method of election, term of office, removal and filing of vacancies with respect to the Board of Directors shall be as set forth in the Bylaws.

SEVENTH: The address of the initial registered office of the Association is 400 East Laurel Avenue, Foley, Alabama 36535, and the name of its initial registered agent at such address is JOHN B. FOLEY.

EIGHTH: The name and address of the incorporator of this organization is as follows:

JOHN FOLEY
Post Office Box 1047
Foley, Alabama 36536

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 21st
day of March, 1996.

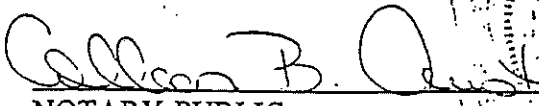


JOHN B. FOLEY

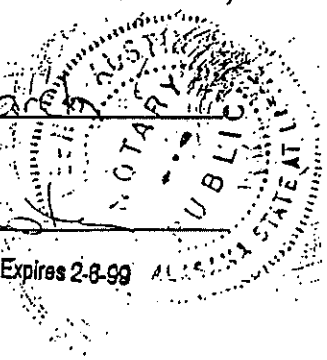
STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that JOHN B. FOLEY, 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 the instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this, the 21st day of March, 1996.



NOTARY PUBLIC My Commission Expires 2-8-99



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THIS INSTRUMENT WAS PREPARED BY:

JULIAN B. BRACKIN
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