

**ARTICLES OF INCORPORATION
OF
GLENLAKES UNIT ONE PROPERTY OWNER'S ASSOCIATION, INC.,
AN ALABAMA NONPROFIT CORPORATION**

The undersigned, acting as **Incorporator**, does form a corporation under the **Alabama Nonprofit Corporation Act, Ala. Code, §10-3A-1, et seq.** (the "**Act**") and adopts the following **Articles of Incorporation**;

**Article One
Name**

The name of this **Corporation** shall be **Glenlakes Unit One Property Owner's Association, Inc.** (the "**Glenlakes Unit One Association**").

**Article Two
Definitions**

All terms used in these **Articles of Incorporation** shall have the meaning given for each of them stated in the **Master Declaration of Covenants, Conditions and Restrictions for Glenlakes, a Planned Residential Development** dated **May 19, 2000**, and recorded **June 2, 2000** as **Instrument Number 548493, Pages 1 through 46** (the "**Master Declaration**") and as stated in the **Supplemental Declaration of Covenants, Conditions and Restrictions for Glenlakes, a Planned Residential Development- Glenlakes Unit One** (the "**Declaration**"), unless the context otherwise requires, and are incorporated by reference and made a part of these **Articles of Incorporation**. In the event of a conflict between the provisions of the **Master Declaration**, the **Declaration**, these **Articles of Incorporation** or these **By-Laws**, the **Master Declaration** prevails, except to the extent the **Master Declaration** is inconsistent with the **Act**.

**Article Three
Period of Duration**

The period of duration of the **Glenlakes Unit One Association** is perpetual unless and until legally dissolved.

**Article Four
Not For Profit**

The **Glenlakes Unit One Association** is not organized for pecuniary profit, and the **Glenlakes Unit One Association** shall pay no dividend, and shall distribute no part of the income of the **Glenlakes Unit One Association** to the **Members, Directors** or officers. Nevertheless, the **Glenlakes Unit One Association** may pay compensation in a reasonable amount to the **Members, Directors** and officers for services rendered, and the **Glenlakes Unit One Association** may confer benefits on the **Members** of the **Glenlakes Unit One Association** in conformity with the **Declaration** and for the purposes of the **Glenlakes Unit One Association**. On termination, the **Glenlakes Unit One Association** may make distributions to the **Members** of the **Glenlakes**

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Unit One Association 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 **Glenlakes Unit One Association** and the proceeds from said funds and properties shall be held in trust for the **Members** of the **Glenlakes Unit One Association** in accordance with the provisions of the **Act**, the **Declaration** and the **By-Laws** of the **Glenlakes Unit One Association**. The **Members** of the **Glenlakes Unit One Association** shall not be personally liable for the debts, liabilities or obligations of the **Glenlakes Unit One Association**.

Article Five **Purposes**

The **Glenlakes Unit One Association** is organized for the purpose of administering, maintaining, operating and managing **Glenlakes Unit One** ("**Glenlakes Unit One**"), 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. The **Glenlakes, Unit One Association** shall only have jurisdiction over **Glenlakes Unit One** and such **Additional Property** as may be made subject to the terms of the **Declaration** by the **Declarant** as provided in the **Declaration**.

Article Six **Powers**

The **Glenlakes Unit One Association** shall have all the common law and statutory powers of a **Nonprofit Corporation** and shall have all the powers, duties and authority vested in the **Glenlakes Unit One Association** by the **Act**, the **Declaration** or these **Articles of Incorporation**, 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 **Glenlakes Unit One Association** as set forth in the **Declaration** applicable to **Glenlakes Unit One** 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, the **Declaration** being incorporated in these **Articles of Incorporation** 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 with said charges or assessments and all office and other expenses incident to the conduct of the business of the **Glenlakes Unit One Association**, including all licenses, taxes or governmental charges levied or imposed against the property of the **Glenlakes Unit One 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 **Glenlakes Unit One 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 **Glenlakes Unit One Association**, mortgage, subject to a security interest, pledge, deed in trust or hypothecate any or all of the real or personal property owned by the **Glenlakes Unit One Association** 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**; and

7. Have and to exercise any and all powers, rights and privileges which a corporation organized under the **Act** may 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 be allowed or permitted by **Alabama Law** or by the **Declaration**.

Article Seven **Membership and Voting Rights**

The **Glenlakes Unit One 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 **Glenlakes Unit One** shall be a **Member** of the **Association**. The foregoing is not intended to include **Persons** or entities who hold a mortgage or security interest merely as security for the performance of an obligation, unless and until such holder of a mortgage or security interest has acquired title to the **Lot** pursuant to foreclosure or any proceeding in lieu of foreclosure and the deed evidencing title has been duly and properly recorded at which time such holder of a mortgage or security interest shall become a **Member** and the debtor's membership shall 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 **Glenlakes Unit One 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 **Glenlakes Unit One Association**. Every **Person** or entity who is a record **Owner** of a fee interest or undivided fee interest in any **Lot** in **Glenlakes Unit One** shall be a **Member** of the **Master Association** which membership shall be subject to the terms and conditions of the **Master Declaration**. There shall be only **one (1)** vote in **Glenlakes Unit One** as more specifically described in the **Master Declaration**. The **Voting Member** shall be selected by the **Members** of the **Glenlakes Unit One Association** pursuant to the **Master Declaration** to be responsible for casting votes attributable to **Lots** in **Glenlakes Unit One** for the election of **Directors** of the **Master Association** and for the other purposes set out in the **Master Declaration**.

Article Eight
Board of Directors

The property, business and affairs of the **Glenlakes Unit One Association** shall be managed by a **Board of Directors** consisting of a number which is not less than **three (3)** but not more than, from time to time, shall be determined and fixed by a vote of a **Majority** of the voting rights present at any annual or special meeting of the **Members**. Except as may otherwise be provided in the **Declaration** and the **By-Laws**, each **Director** may be either a **Person** designated by the **Declarant** or a **Person** entitled to cast a vote in the **Glenlakes Unit One 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 **Glenlakes Unit One Association** existing under the **Declaration**, these **Articles of Incorporation** and the **By-Laws** shall be exercised exclusively by the **Board of Directors**, or the agents, contractors or employees of the **Board of Directors**, subject only to approval by **Owners** when such approval is specifically required by the **Act**, the **Declaration**, these **Articles of Incorporation** 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>
Roger Murray	3212 Bay Estates Circle Destin, Florida 32541
Joe F. Yarborough	Post Office Box 1446 Gulf Shores, Alabama 36547-1446
M. Miller Gorrie	54 Country Club Boulevard Birmingham, Alabama 35213

Article Nine
By-Laws

The **By-Laws** of the **Glenlakes Unit One Association** shall be adopted by the **Board of Directors** and may be altered, amended or rescinded in the manner provided in the **By-Laws**.

Article Ten
Officers

The affairs of the **Glenlakes Unit One 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>
Joe F. Yarborough	President	Post Office Box 1446 Gulf Shores, Alabama 36547-1446
Roger Murray	Vice-President	3212 Bay Estates Circle Destin, Florida 32541
M. Miller Gorrie	Secretary-Treasurer	54 Country Club Boulevard Birmingham, Alabama 35213

Article Eleven
Indemnification and Limitation of Liability

Every **Director** and every officer of the **Glenlakes Unit One Association** shall be indemnified by the **Glenlakes Unit One Association** against all expenses and liabilities, or any settlement, 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 said **Director** being or having been a **Director** or officer of the **Glenlakes Unit One Association**, whether or not said **Director** 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 the duties of said **Director**; provided that in the event of a settlement, the indemnification provided for in these **Articles of Incorporation** shall apply only when the **Board of Directors** approves such settlement and reimbursement as being in the best interest of the **Glenlakes Unit One 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** shall not be liable to the **Glenlakes Unit One Association** or the **Members** of the **Glenlakes Unit One Association** 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 **Glenlakes Unit One Association** or the **Members**; (iii) a violation of the **Ala. Code, §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 **Glenlakes Unit One Association** or the **Members**. If the **Alabama Business Corporation Act**, or successor statute, is 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 **Glenlakes Unit One Association**, in addition to the limitations on liability provided for in these **Articles of Incorporation**, shall be limited to the fullest extent permitted by the **Alabama Business Corporation Act** as amended or any successor statute, and the rights of indemnification of such officer, **Director**, employer or agent shall be similarly enhanced to the fullest extent permitted. Any repeal or modification of this **Article Eleven** by the **Members** of the **Glenlakes Unit One Association** shall be prospective only and shall not adversely affect any limitation on the liability or rights of indemnification of a **Director** of the **Glenlakes Unit One Association** existing at the time of such repeal or modification.

Article Twelve
Incorporator

The name and address of the **Incorporator** of the **Glenlakes Unit One Association** is:

<u>Name</u>	<u>Address</u>
Glenlakes Realty Co., an Alabama General Partnership	623 East Myrtle Avenue Foley, Alabama 36535

Article Thirteen
Declarant Control

The **Declarant** shall retain **Declarant Control** of the **Glenlakes Unit One Association** in accordance with the terms and conditions of the **Declaration**.

Article Fourteen
Registered Office and Agent

The location address of the initial registered office of the **Glenlakes Unit One Association** is **623 East Myrtle Avenue, Foley, Alabama 36532**. The mailing address of the initial registered office of the **Glenlakes Unit One Association** is **623 East Myrtle Avenue, Foley, Alabama 36532**. The name of the initial agent of the **Glenlakes Unit One Association** at such address is **James L. Cresap**.

Article Fifteen
Amendment

These **Articles of Incorporation** 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 **Glenlakes Unit One Association** or any **Person**, firm, association or corporation and no other act of the **Glenlakes Unit One Association** shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the **Directors** of the **Glenlakes Unit One 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 **Glenlakes Unit One 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 **Glenlakes Unit One Association**, provided that the fact that said **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 of the **Board of Directors** 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 of Directors**, 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 **Glenlakes Unit One 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 said **Director** were not so related or interested. Any **Director** of the **Glenlakes Unit One Association** may vote upon any contract or other transaction between the **Glenlakes Unit One Association** and any affiliated corporation without regard to the fact that said **Director** is also a director of such affiliated corporation.

Article Seventeen
Dissolution

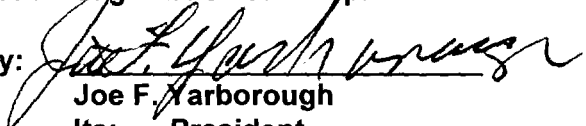
The **Glenlakes Unit One Association** shall be dissolved upon the termination of **Glenlakes Unit One** in the manner provided in the **Declaration**. Upon dissolution of the **Glenlakes Unit One Association**, the assets of the **Glenlakes Unit One Association**, if any, and all money received by the **Glenlakes Unit One Association** from the operations of the **Glenlakes Unit One Association**, after the payment in full of all debts and obligations of the **Glenlakes Unit One 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 these **Articles of Incorporation** to be executed this **8th** day of **May, 2001**.

Yarborough
Lakeview
Corp.
(Corporate Seal)

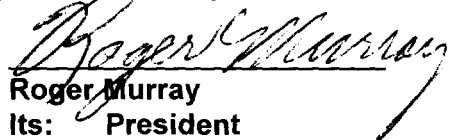
**Glenlakes Realty Co., an Alabama
General Partnership**

By: **Yarborough Lakeview Corp.**

By: 
Joe F. Yarborough
Its: **President**

Murray
Lakeview
Corp.
(Corporate Seal)

By: **Murray Lakeview Corp.**

By: 
Roger Murray
Its: **President**

Gorrie
Lakeview
Corp.
(Corporate Seal)

By: **Gorrie Lakeview Corp.**

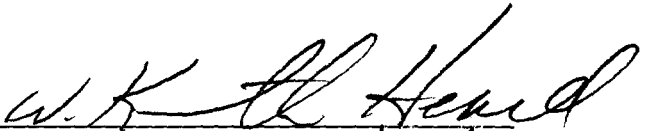
By: 
M. Miller Gorrie
Its: **President**

STATE OF ALABAMA :

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that **Joe F. Yarborough**, whose name as **President of Yarborough Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**, 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 **President** and with full authority, executed the same voluntarily for and as the act of said **Yarborough Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**.

Given under my hand and seal this 8th day of **May**, 2001.




Notary Public
My Commission Expires: 8/12/01

STATE OF ALABAMA :

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify That **Roger Murray**, whose name as **President of Murray Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**, 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 **President** and with full authority, executed the same voluntarily for and as the act of Said **Murray Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**.

Given under my hand and seal this 8th day of **May**, 2001.




Notary Public
My Commission Expires: 8/12/01

STATE OF ALABAMA :

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that **M. Miller Gorrie**, whose name as **President of Gorrie Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**, 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 **President** and with full authority, executed the same voluntarily for and as the act of said **Gorrie Lakeview Corp.**, acting in its capacity as a **Partner of Glenlakes Realty Co., an Alabama General Partnership**.

Given under my hand and seal this 8th day of **May**, 2001.


Notary Public
My Commission Expires: 8/12/01

THIS INSTRUMENT PREPARED BY:
Sam W. Irby
Irby & Heard, P.C.
Attorneys at Law
317 Magnolia Avenue
Post Office Box 1031
Fairhope, Alabama 36533
(334)928-4555

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

2001 May -30 10:48AM

Instrument Number 598971 Pages 9
Recording 25.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate