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**DECLARATION OF CONDOMINIUM
OF
CRIMSON PLACE CONDOMINIUM**

Date: July 10, 2006

This instrument prepared by
Carol H. Stewart
Burr & Forman LLP
3100 Wachovia Tower
420 North 20th Street
Birmingham, Alabama 35203

CRIMSON PLACE CONDOMINIUM

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Exhibit "A"	Legal Description of Property
Exhibit "B"	Plans and Plat of the Condominium
Exhibit "C"	Bylaws of the Association
Exhibit "D"	Articles of Incorporation of the Association
Exhibit "E"	Description and Boundaries of Units
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Exhibit "H"	Proposed Estimated Operating Budget

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DECLARATION OF CONDOMINIUM
OF
CRIMSON PLACE CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM (hereinafter referred to as the "Declaration") made this 10th day of July, 2006 by ALABAMA CONDOS, L.P., a Delaware limited partnership (hereinafter referred to as "Declarant"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975, §§ 35-8A-101, *et seq.* (the "Act") for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land:

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Tuscaloosa County, Alabama, more particularly described on Exhibit A attached hereto on which is located eleven (11) buildings containing one-hundred forty-eight (148) residential Units and certain other improvements in accordance with the Plan of CRIMSON PLACE CONDOMINIUM, prepared by Cabaniss Engineering, Inc. on May 24, 2006 and recorded in Map Book 2006, page 133 in the Office of the Judge of Probate of Tuscaloosa County, Alabama, a copy of which is included in Exhibit "B" attached to this Declaration (the "Property" or "Condominium Property");

WHEREAS, Declarant desires to submit the property described on Exhibit "A" and the improvements constructed thereon to the condominium form of ownership and the provisions of the Act, and to the provisions of this Declaration to create a condominium to be known as Crimson Place Condominium and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the Condominium Units contained therein and the Owners thereof; and

NOW, THEREFORE, Declarant, upon recording hereof, does submit that certain real property situated in the City of Tuscaloosa, Tuscaloosa County, Alabama, more particularly described on Exhibit A attached to this Declaration, together with the improvements thereon, and owned by the Declarant in fee simple absolute to the provisions of the Alabama Uniform Condominium Act of 1991 to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of said Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium ownership and all of which shall run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title or interest in said property or any part thereof, and shall be for the benefit of each Owner of any portion of said property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I
DEFINITIONS

1.01 **General.** As used herein, the terms defined in § 35-8A-103 of the Act shall be deemed to have the same meanings as set forth therein, unless the context shall otherwise require or unless otherwise specified.

1.02 **Act.** "Act" shall mean the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA §§ 35-8A-101 *et seq.*, as the same may be amended from time to time.

1.03 **Articles.** "Articles" shall mean the Articles of Incorporation of Crimson Place Association, Inc., as amended from time to time.

1.04 **Association.** "Association" shall mean Crimson Place Association, Inc., an Alabama nonprofit corporation, its successors and assigns organized pursuant to the Alabama Non-Profit Corporation Act, CODE OF ALABAMA, §§ 10-3A-1, *et seq.*, of which all owners of Units shall be members.

1.05 **Bylaws.** "Bylaws" shall mean the Bylaws of the Association as amended from time to time, a copy of which is attached hereto as Exhibit "C" recorded simultaneously with this Declaration.

1.06 **Common Elements.** "Common Elements" shall mean and include the following:

- (i) The Land;
- (ii) The foundations and footings, bearing walls, perimeter walls, structural slabs, columns, beams and supports;
- (iii) The roofs, lobbies, hallways, elevators, mechanical equipment, garbage, and storage areas designated as common, stairways and entrances and exits or communication ways, some of which may be designated as Limited Common Elements;
- (iv) The compartments or installations of central services such as central air conditioning, ventilation, heating, power, gas, light, electricity, fire protection, security, cold and hot water, plumbing, reservoirs, water tanks and pumps, sewer lines, flues, trash compactors, incinerators, and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use in the Units;
- (v) The premises and facilities, if any, used for the maintenance or repair of the Property;
- (vi) Greens, landscaping, sidewalks, gardens, fitness center, club room, pool, removable wall patio deck, and central mail boxes;

(vii) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property; and

(viii) All other elements (other than the Units) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property.

1.07 **Common Expenses.** "Common Expenses" shall mean the expenses arising out of the ownership of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

1.08 **Condominium.** "Condominium" shall mean the Property known as Crimson Place Condominium.

1.09 **Condominium Documents.** "Condominium Documents" shall mean the Declaration of Condominium and all Exhibits hereto, the By-Laws, the Articles of Incorporation and the Rules and Regulations of the Association, as each of them may be amended from time to time.

1.10 **Declarant.** "Declarant" shall mean Alabama Condos, L.P., a Delaware limited partnership, its successors and assigns (other than an Owner) who shall receive by assignment from the said Declarant all, or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

1.11 **Declaration.** "Declaration" shall mean this Declaration of Condominium for Crimson Place Condominium, as it may be amended from time to time.

1.12 **Director.** "Director" shall mean a member of the Board of Directors of the Association.

1.13 **Mortgagee.** "Mortgagee" shall mean the holder of a first-in-priority mortgage, which has given notice to the Association that it is the holder of a mortgage affecting all or any part of the Condominium Property.

1.14 **Occupant.** "Occupant" shall mean a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

1.15 **Owner or Unit Owner.** "Owner" or "Unit Owner" shall mean and refer to every person or entity who is a record owner of a Unit and which title is evidenced by a recording in the Office of the Judge of Probate of Tuscaloosa County, Alabama.

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1.16 **Plans or Plat.** "Plans" or "Plat" shall mean those certain as-built plats or plat for Crimson Place Condominium showing the Units, the Common Elements and the Limited Common Elements of the Condominium, a copy of which is attached hereto as Exhibit "B," and filed for record with the Judge of Probate of Tuscaloosa County, Alabama, as revised or amended from time to time, and such other plans filed in connection with the Declaration.

1.17 **Property.** "Property" or "Condominium Property" shall mean all the land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishing, fixtures and equipment given by the Declarant and intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as amended from time to time.

1.18 **Rules and Regulations.** "Rules and Regulations" shall mean those Rules and Regulations adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents.

1.19 **Unit.** "Unit" shall mean a portion of the Condominium depicted on the Plans or Plat and having the boundaries described in Exhibit "E" attached hereto and incorporated herein by reference and intended for residential use.

ARTICLE 2

THE CONDOMINIUM

2.01 **Name.** The name of the Condominium shall be Crimson Place Condominium.

2.02 **Description of Improvements and Identification of Units.** The Condominium Property shall originally consist of eleven (11) buildings, ten of which shall contain one hundred forty-eight (148) residential Units, and other amenities located on the Property. A plat of the land and improvements thereon and a graphic description of the improvements in which the Units are located, identifying each Unit by a number or letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Plans and Plat attached hereto as Exhibit "B."

2.03 **Amendment of Condominium Plan.** Declarant reserves the right to change the interior design and arrangement of all Units, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Declarant owns the Units so altered. Changes in the boundaries between Units, as hereinbefore provided, shall be reflected by an amendment to the Plan, and if necessary, an amendment to this Declaration. An amendment to the Plan or the Declaration reflecting an alteration of the boundaries of the Units owned by Declarant need be signed and acknowledged only by the Declarant and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change which shall result in a change in the undivided interest in Common Elements or a change in the share of Common Expenses with respect to Owners of

Units other than Declarant at the time of such change or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Declarant) may not be made without an amendment of this Declaration approved by the Owners and Mortgagees in the manner elsewhere required herein.

2.04 **Additional Improvements.** Declarant further the right to add additional improvements to the Condominium Property which shall be Common Elements in the form of a clubhouse, swimming pool and any other improvements Declarant desires to add. Also, Developer reserves the right to complete all Units on the Property in accordance with the Plan.

2.05 **Units, Share of Common Elements, Vote.** The boundaries of a Unit shall be as set forth on Exhibit "F" attached hereto and incorporated herein by reference. Appurtenant to each Unit shall be an undivided interest in the Common Elements. Each Unit, together with such undivided interest in the Common Elements, shall constitute a separate parcel of real property, which may be owned, held, transferred, sold, conveyed, used, occupied, mortgaged or otherwise encumbered in fee simple in the same manner as any other separate parcel of real property, subject, however, to the Act and this Declaration. The undivided interest in the Common Elements appurtenant to each Unit shall not be separated from such Unit and shall be deemed to be transferred, conveyed and encumbered with the Unit even if such interest is not stated or referred to in the document or instrument effecting such transfer, conveyance or encumbrance. The share of the Common Elements allocated to each Unit shall be as set forth on Exhibit "F" attached hereto and incorporated herein by reference. Each Unit shall be allocated one vote in the affairs of the Association.

2.06 **Common Elements.** The Common Elements consist of all portions of the Condominium that are not Units.

2.07 **Limited Common Elements.** Those portions of the Common Elements which are assigned to the exclusive use of a certain Unit or Units, as hereinafter set forth, are Limited Common Elements. In addition to those Limited Common Elements assigned pursuant to § 35-8A-202(2) and (4) of the Act, each Unit is assigned as Limited Common Elements, the entry ways, door steps, stairways, (if any) and the contiguous balcony, patio or terrace area (if any) serving the Unit and any parking spaces, garage, or carport assigned to the Unit. In the event that any of the items described herein or other Common Elements serve more than one but less than all Units, such items shall be Limited Common Elements appurtenant to the Units served thereby. Reassignment of Limited Common Elements may be accomplished pursuant to § 35-8A-208(b) of the Act. Assignment of Common Elements not previously assigned as Limited Common Elements may be accomplished upon the approval of a majority of the Board of Directors in accordance with procedures set forth in § 35-8A-208(c) of the Act.

2.08 **Alterations.** Alterations within Units may only be made subject to the provisions of § 35-8A-211 of the Act.

2.09 **Partition and Subdivision.** Unless the condominium form of ownership hereby established is terminated as provided for herein, no Unit Owner or other person shall bring any

action for partition or subdivision of the whole or any part of any Unit or the whole or any part of the Common Elements.

2.10 Maintenance and Repair of Condominium.

- (a) Association Responsibility. The Association shall maintain, repair and replace all improvements constituting a part of the Common Elements, including the Limited Common Elements, and including but not limited to utility lines and facilities serving more than one Unit, lawns, shrubs, trees, walkways, drives, parking areas, and the structural portions and exterior portions of all buildings and improvements which are a part of the Common Elements, including the Limited Common Elements, and that do not constitute part of a Unit, provided that the Association will not be responsible for the daily cleaning, snow removal, deicing or housekeeping of Limited Common Elements or components thereof. The Association shall maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements which are a part of the Common Elements, including the Limited Common Elements. The Association will not have responsibility to repair or maintain any Unit, or component thereof, or personal property within a Unit except to repair damages caused thereto while performing such maintenance, repairs and replacements as provided above.

This Section 2.10(a) shall not relieve a Unit Owner of liability for damage to the Common Elements, Limited Common Elements, a Unit of another person, adjacent property or any other property caused by the Unit Owner, his family members, Occupants, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such person or caused by any occurrence or activity arising from the Unit Owner's regardless of whether there is negligence or fault. The cost of repair for any damage so caused by the Unit Owner, his family members, guests, invitees, lessees or licensees, shall be a special assessment against the Unit Owner responsible therefor.

- (b) Limitation of Liability. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds, for problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, Limited Common Elements or to any Unit, or from any action taken by the Association to comply with any law

or ordinance or with the order or directive of any municipal or other governmental or judicial authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

- (c) Unit Owner Responsibility. Each Owner shall repair and maintain the Unit and all components thereof, owned by that Unit Owner or serving the Unit owned by that Owner, and perform cleaning and housekeeping with respect to the Limited Common Elements appurtenant to that Owner's Unit. Without limiting the generality of the foregoing, the repair and maintenance responsibility of an Owner includes repair, maintenance and replacement of all windows, screens and doors, including the sashes and jams, the glass, and the hardware therefor. If an Owner fails to make a repair or perform maintenance required of that Owner, or if the need for maintenance or repair of any part of the Common Elements or Limited Common Elements is caused by the negligent or intentional act of any Owner or any occupant, or is as a result of the failure of any Owner or his or its predecessors in title to perform repair or maintenance or timely pursue to conclusion a claim under any warranty, express, implied, or imposed by law, then the Association may perform the same, and if the cost of such repair or maintenance is not covered by insurance, whether because of a deductible or otherwise, the cost thereof shall be specially assessed against the Unit owned by that Owner and against that Owner. The determination that such maintenance or repair is necessary, or has been so caused, will be made in the sole discretion of the Board of Directors.

2.11 Ingress and Egress of Unit Owners. Each Unit Owner has a right of ingress and egress to his Unit, which right shall be appurtenant to the Unit and shall be in effect for as long as the Unit is subject to the Act and this Declaration.

ARTICLE 3

THE CONDOMINIUM ASSOCIATION

3.01 General. Operation and administration of the Condominium Property shall be performed by Crimson Place Association, Inc., an Alabama nonprofit corporation. The business and affairs of the Association shall be governed by the Board of Directors of the Association. The Association, the Directors and the officers of the Association shall have all of the duties and powers set forth in the Declaration, the Articles, the Bylaws, the Act, the Alabama Nonprofit Corporation Act and such other duties and powers reasonably implied to carry out the provisions of this Declaration and the purposes of the Association.

3.02 Members. The members of the Association shall consist of all record Owners of the Units. Change of membership in the Association shall be established by recording in the public records of Tuscaloosa County, Alabama, the deed or other instrument establishing record title to a Unit in the Condominium Property, 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, tenants and occupants of the Units shall be subject to

and shall comply with the provisions of the Declaration, the Bylaws and the Rules and Regulations, as the same may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the Bylaws. Each Unit Owner is entitled to the number of votes for each Unit owned by him as set forth in Exhibit "F" attached hereto.

3.03 Declarant Control. Declarant, its successors or assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Declarant shall fill the vacancies, until no later than the earlier of (a) sixty (60) days after 75% of the total number of Units which may be created in the Condominium, have been conveyed to purchasers of Units; (b) two years after Declarant has ceased to offer Units for sale or Declarant has exercised any development right, provided that the Declarant may, at its option, terminate its control of the Association at an earlier date. Notwithstanding the foregoing, within ninety (90) days after conveyance of 25% of the Units which may be created, the Unit Owners other than Declarant shall be entitled to elect 25% of the members of the Board of Directors. Not later than ninety (90) days after conveyance of 50% of the Units which may be created to Unit Owners other than Declarant, not less than 33 1/3% of the members of the Board shall be elected by the Unit Owners. The Declarant shall be entitled to appoint at least one member of the Board of Directors of the Association as long as the Declarant holds for sale in the ordinary course of business at least one Unit within the Condominium.

3.04 Professional Management and Other Contracts. Any management contract, employment contract or contract between the Association and the Declarant or an Affiliate of Declarant incurred by the Association prior to the passage of control of the Association from the Declarant pursuant to Section 3.03 above shall provide the following:

- (a) The Association shall have the right of termination which is exercisable without penalty any time upon not more than ninety (90) days' written notice to the other party thereto; and
- (b) The Association shall have a right of termination for cause which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

3.05 Power to Adopt Rules and Regulations. Reasonable rules and regulations concerning use of Units and appurtenances thereto and the Common Elements may be made and amended from time to time by the Board of Directors subject to the consent of Declarant while Declarant owns any Unit primarily for the purpose of sale, which consent may be withheld in Declarant's sole and unfettered discretion; provided, however, that copies of such regulations and amendments thereto shall be furnished by the Association to all Owners. Failure to abide by such regulations, rules or requirements shall be grounds for an action or suit by the Association, and any aggrieved Owner to recover damages, or equitable relief, or both. In addition, the Association is empowered to impose and assess fines after notice and an opportunity to be heard in accordance with the Act. Notwithstanding the foregoing to the contrary, in no event shall the Association impose any fine upon Declarant or suspend the right of Declarant or its duly

authorized agents, representatives, or employees to use any Common Elements while Declarant owns one or more Units primarily for the purpose of sale.

3.06 **Application of Votes in the Association.** Each Unit Owner shall automatically be a member of the Association and shall remain a member for the period of ownership. Membership shall be appurtenant to and may not be separated from ownership of any Unit. The Declarant shall be entitled to the number of votes allocated to each unsold Unit it owns. All votes in the Association shall be cast pursuant to the Bylaws of the Association and Alabama law.

ARTICLE 4

ASSESSMENTS

4.01 **Liability, Lien and Enforcement.** The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owner, his family members, guests, invitees or tenants for damages of any nature and for penalties for rules violations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

4.02 **Common Expenses.** Each Unit Owner shall be liable for and shall pay the share of the Common Expenses allocated to their Unit as set forth on Exhibit "F," except as otherwise provided in this Declaration. The Common Expenses of the Association shall be all of the expenditures which are made or incurred by or on behalf of the Association in connection with the exercise of their respective powers and responsibilities, and shall include, but shall not be limited to, the following:

- (a) Management fees and expenses of administration, including legal and accounting fees;
- (b) Charges for utilities serving the Common Elements and charges for other common services;
- (c) The cost of any master, blanket or other insurance policies purchased for the benefit of all Unit Owners and the Association as permitted or required by this Declaration;
- (d) The expense of maintenance, operation and repair of the Condominium which is the responsibility of the Association under the provisions hereof;

- (e) Such other expenses as may be determined from time to time by the Board of Directors to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against each Unit;
- (f) The establishment and maintenance of a reasonable reserve fund or funds for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, to cover operating contingencies or deficiencies arising from unpaid assessments or liens, emergency expenditures and other matters, as may be authorized from time to time by the Board of Directors; and
- (g) The costs of any capital improvement to be made upon the Common Elements which exceeds \$20,000, provided that such capital improvements (other than the repairing, rebuilding or reconstructing of any portion of the Common Elements damaged or destroyed by casualty) have been approved by (i) a vote of at least two-thirds (2/3) of the Unit Owners present in person or by proxy at a meeting of the members of the Association at which a quorum was present and with respect to which notice was given that consideration of such capital improvement was a purpose of such meeting, and (ii) by Declarant while Declarant owns any Unit primarily for the purpose of sale.

4.03 Assessments.

- (a) All assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to said Unit as set forth in Exhibit "F" attached hereto. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.
- (b) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.
- (c) The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements or Limited Common Elements based on the usage of any component of the Common Elements or Limited Common Elements. Such assessments shall not be included in the assessment for

Common Expenses, but shall be payable in such manner and at such times as may be determined by the Board of Directors of the Association.

4.04 **Annual Budget.** Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt a proposed annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act and this Declaration. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be made available to each Unit Owner and the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery of the budget to the Unit Owners. Unless at the meeting a majority of the Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected the budget for the last year shall continue in effect until such time as a new budget is ratified. If the budget is ratified the assessment for said year shall be established based upon such budget.

Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act. The initial projected and estimated annual budget for the Condominium is attached to the Declaration as Exhibit "H."

4.05 **Omission of Assessment.** The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

4.06 **Detailed Records.** The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner or his representative at convenient hours of weekdays in the county where the condominium is located.

4.07 **Payment of Common Expenses and Limited Common Expenses by Unit Owners.** All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article 4. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Unit

Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Declaration, the Association upon written request of the Owner or purchaser of such Unit shall furnish to the Owner, the purchaser or any proposed Mortgagee (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be applied by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before application of the payment to the selling Unit Owner.

4.08 Default in Payment of Assessments.

- (a) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the maximum legal rate or 18%, whichever is greater, until such delinquent assessment or installment and all interest due thereon has been paid in full. Further, the Association may assess a late charge in such amount as may be determined by the Board of Directors. The Association shall have a lien against Units for delinquent assessments, late charges and interest. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Owner of each Unit, and such lien shall also secure interest and late charge, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lienholders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate on judgments or 18%, whichever is greater, on any such advance made for such purpose. All persons, firms, corporations or

entities who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien. The lien herein granted to the Association shall be effective from and after the time of recording in the Probate Office of Tuscaloosa County, Alabama, the Declaration of Condominium of Crimson Place Condominium and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

4.09 **Working Capital Fund.** The Association shall have a working capital fund to pay for items that must be paid in advance such as insurance, to meet unforeseen expenditures, or to purchase any additional equipment or services. The initial working capital fund shall be equal to two months of the estimated assessments for Common Expenses for each Unit and shall be collected either at the time the sale of a Unit by Declarant is closed or when control of the Association is transferred by Declarant to the Unit Owners, whichever is earlier. The amounts paid into the working capital fund shall not be an advance payment of regular assessments. Declarant may require any purchaser of a Unit from Declarant at the Closing of the sale of the Unit to reimburse Declarant for the contribution to the working capital fund made by Declarant in connection with such Unit.

4.10 **Election of Remedies.** Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

4.11 **Disposition of Surplus.** Any surplus remaining after payment of the Common Expenses shall appertain to the Units in the same proportion as their respective share of the Common Elements. Any such surplus shall, at the discretion of the Board of Directors, be distributed to the Unit Owners, credited to the next assessments chargeable to the Unit Owners or placed in a reserve account.

ARTICLE 5

INSURANCE

5.01 **General.** The Association shall obtain and maintain at all times the types of insurance policies herein set forth. The premiums for such insurance policies shall be a Common

Expense of the Association. The Board of Directors, in their discretion, may obtain such other insurance as reasonably necessary or desirable for the benefit of the Condominium.

5.02 Types of Insurance.

- (a) Casualty. The Association shall obtain a casualty insurance policy or policies affording fire and extended coverage insurance for, and in an amount consonant with 100% of the then current replacement cost of all structures and other insurable improvements within the Condominium including the Units; provided, however, that the Association may exclude from such coverage (i) improvements and betterments made by the Unit Owners, (ii) structures covered by builder's risk insurance in an amount consistent with the full replacement value thereof, but only during such period of time as such builder's risk insurance remains in full force and effect and only on the condition that the Association is named as an additional insured and (iii) land, excavations, foundations and other items normally excluded from property policies.
- (b) Liability. The Association shall obtain a liability insurance policy or policies, in amounts determined by the Board of Directors, but no less than \$1,000,000 for injury, including death, to a single person; \$1,000,000 for injury or injuries, including death, arising out of a single occurrence; and \$50,000 property damage; or in the alternative, a liability policy affording coverage for bodily injury and property damage with a combined single limit in an amount not less than \$1,050,000.00. The policy or policies shall cover the Association, the Board of Directors and the officers of the Association, all agents and employees of the Association and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium for occurrences commonly insured against arising out of or in connection with the use, ownership or maintenance of the Common Elements or other portions of the Condominium which the Association has the responsibility to maintain.
- (c) Fidelity Bond. The Association shall obtain and maintain at all times a master or blanket fidelity bond for all officers, directors, trustees and employees of the Association, managing agents and all other persons handling or responsible for funds of the Association. The amount of coverage shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association or any management agent at any given time during the term of each bond. However, in no event may the aggregate amount of such bond be less than a sum equal to three months aggregate assessments on all Units plus reserve funds. The fidelity bond must to the reasonable extent possible meet the following requirements:
- (i) The fidelity bond must name the Association as an obligee;

(ii) The bond shall contain waivers by insurers of the bond of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms; and

(iii) The bond shall provide that it may not be canceled or substantially modified without at least 30 days prior written notice to the Association and Mortgagees whose name and address have been previously furnished to the insurer with a request for such notice.

(iv) The bond shall cover the maximum funds that will be in the custody of the Association or its managing agents at any time while the policy is in force.

(d) Directors and Officers Insurance. The Association shall obtain Directors and Officers insurance for the Board of Directors, the cost of which is to be paid as a Common Expense.

(e) Other. The Association shall obtain such other insurance policies, including, without limitation, fidelity insurance policies, a blanket flood insurance policy, if required as a condition to Mortgagees making first mortgage loans on the Units, and such other insurance policies required under the Bylaws, in the amounts of coverage as may be required by law or authorized by the Board of Directors from time to time.

5.03 Governing Provisions. All insurance obtained and maintained by the Association as provided in Section 5.02 above shall be governed by the following provisions:

(a) All policies shall (i) comply with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association as they shall apply to condominium loans; and (ii) be written with a company licensed to do business in the State of Alabama and holding a financial rating of Class V or better and a general policyholders rating of "A" or better by Best's Insurance Reports or other then comparable rating. To the extent that the provisions of this Declaration with respect to the maintenance of insurance shall conflict with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, then the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association shall control and such requirements shall be complied with by the Association. Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property shall be vested in the Association or its authorized representatives.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Mortgagees.

(d) Insurance policies carried pursuant to Section 5.02 above must contain the following:

- (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of his interest in the Condominium and Association;
- (ii) A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Declarant or the Owners;
- (iii) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Mortgagee of each Unit;
- (iv) The insurance coverage will be primary, even if a Unit Owner has other insurance that covers the same loss; and
- (v) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

5.04 **Unit Owners' Policies.** The Unit Owners and Mortgagees may purchase and carry at their own expense any type of property insurance policy or policies as they may desire from time to time; provided, however, that in no event shall any recovery or payment under any insurance policy obtained by the Association be affected or diminished by any such Unit Owner's or Mortgagee's policy and no such policy shall provide for contribution by any insurance policy obtained by the Association nor shall it decrease in any other way the amount which the Association may realize under any insurance policy which it may have in force on any portion of the Condominium. Each Unit Owner shall maintain a liability policy in an amount no less than \$500,000.00 for incidents occurring in or related to matters arising within the Unit.

5.05 **Insurance Proceeds.** All insurance policies purchased by and in the name of the Association shall provide that proceeds covering property losses shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold them in trust for the benefit of the Unit Owners and their Lenders as their interests may appear. Such proceeds, or such portion thereof as may be required for such purpose, shall be distributed by the Association in payment of repairs or reconstruction or to the Unit Owners and their Lender jointly if such damaged property is not repaired or reconstructed as hereinafter provided. Any proceeds remaining after defraying all costs of repairs or reconstruction shall be disbursed to the Unit Owners of the damaged or destroyed Units and their Lender, or in the same proportion of their respective share of Common Elements if the Common Elements are damaged or destroyed, remittances to Unit Owners and their Mortgagees being payable jointly to them.

5.06 **Insufficient Insurance Proceeds.** If the insurance proceeds are not sufficient to defray the cost of repair and reconstruction of the damaged Property, the Association may levy a special assessment against the Unit Owners of the damaged or destroyed Units, and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds to pay the excess cost of repair or reconstruction. Additional assessments may be made in like manner at any time nearing or following the completion of any repair or reconstruction. Any funds required for restoration of a Unit in excess of the insurance proceeds attributable thereto

shall be assessed against the Unit Owner of that Unit. Assessments, if any, against Unit Owners for damage to the Common Elements shall be levied in the same proportion of their respective share of Common Elements.

5.07 Damage and Destruction.

- (a) Estimates, Repair or Reconstruction. As soon as practicable after any damage by fire or other casualty to the Property, the Association shall proceed with the filing and adjustment of all claims arising under insurance purchased by the Association which covers such damaged or destroyed Property and obtain reliable and detailed estimates of the costs of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used herein, means repairing or restoring the damaged Property substantially in accordance with the original plans and specifications to substantially the same condition in which it existed prior to the fire or other casualty; provided, however such damaged Property may be repaired or restored to a substantially different condition with the approval of (i) the Board of Directors, (ii) a majority of the votes in the Association, (iii) at least 51% of the votes of the Mortgagees (with Mortgagees having one (1) vote per Unit secured by a security deed), and (iv) if the damaged Property is a part or all of a Unit, with the approval of the Owner of such Unit and the Mortgagee of such Unit.
- (b) Determination. Any damaged or destroyed Property shall be repaired or reconstructed unless: (i) the Condominium is terminated pursuant to the provisions of § 35-8A-218 of the Act, (ii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety, or (iii) in the case of Units, the Unit Owners of the damaged or destroyed Units, together with eighty percent (80%) of the votes of the Unit Owners of the other Units exclusive of the vote appertaining to any damaged or destroyed Units, agree not to repair or reconstruct such damaged or destroyed Units and reallocate the undivided interest in the Common Elements and the votes in the Association appertaining to such Units not repaired or reconstructed to the remaining Units, or (iv) in the case of Common Elements, eighty percent (80%) of the votes of the Unit Owners vote not to repair or reconstruct such Common Elements. Any such determination shall be conclusively made within 90 days after the casualty or loss. Consent from the Mortgagees shall be obtained as required by Section 10.02 hereof for the foregoing. To the extent damaged or destroyed Property is not repaired or reconstructed, the insurance proceeds attributable to such damaged or destroyed Units shall be disbursed by the Association to the Unit Owners and/or the Mortgagees of the damaged or destroyed Units. To the extent damaged or destroyed Property not repaired or reconstructed is Common Elements, the insurance proceeds attributable to such Common Elements shall be distributed to all Unit Owners according to their respective share of Common Elements. Remittances to any Unit Owner shall be paid jointly to such Unit Owner and the Mortgagee. In the event the Property is not repaired or reconstructed, the area where the damaged or destroyed Property was located shall be placed in an aesthetically pleasing condition in harmony with the other portions of the

Condominium, the expense of such work to be specially assessed against the Owner of such Unit to the extent damaged or destroyed Property is a Unit and specially assessed against all Unit Owners in the same proportion of their respective share of the Common Elements to the extent the damaged or destroyed Property is Common Elements. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned under § 35-8A-107(a), and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

5.08 **Insurance Trustee.** Notwithstanding anything to the contrary contained herein, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into an Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Unit Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including without limitation: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of settlement and releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

ARTICLE 6 RESTRICTIONS

6.01 **Residential Use.** Each Unit shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Unit or any part of the Property, except that the Owner or occupant residing in a Unit may conduct such business activities within the Unit so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Unit; (b) the business activity does not involve persons coming onto the Property who do not reside on the Property; (c) the business activity conforms to all zoning requirements for the Property; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, as may be determined in the sole discretion of the Board of Directors.

"Business" or "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, including, but not limited to, the following definitions: (i) employment of one or more persons for the purpose of earning a livelihood; (ii) any conduct or activities carried on for the purpose of earning a livelihood or contributing to a person's livelihood; (iii) any activities of a person carried on with the intent of improving that person's economic or financial condition; (iv) the occupation, work, or trade in which a person is engaged, including the giving or teaching of any kind of lessons, public or private, regardless of whether such activities or conduct are engaged in for profit and regardless of whether such

activities require obtaining a license; and (v) any commercial, industrial, or professional dealings.

Notwithstanding anything to the contrary contained in this Section 6.01 or this Declaration to the contrary, until six months after the date Declarant no longer owns any Unit primarily for the purpose of sale, Declarant may use any portion of the Condominium Property, except Units sold to a Unit Owner, for offices to conduct sales and rental activities, as models, and for storage and maintenance purposes as more specifically set forth in Section 6.24.

6.02 **Temporary Structures.** No structures of a temporary nature, nor any trailer, tent, shack, shed, barn or other out buildings shall be placed on any portion of the Condominium Property at any time either temporarily or permanently by a Unit Owner, other than the Declarant.

6.03 **Planting.** Except to the extent reasonably available on Limited Common Elements and subject to the Rules and Regulations of the Board of Directors, no planting or gardening shall be done without the prior written approval of the Board of Directors.

6.04 **Clothes Drying.** No drying or airing of clothes outside is permitted.

6.05 **Architectural Standards.** The Board of Directors or its designees shall be responsible for maintaining and enforcing the architectural standards of the Association. No Owner, Occupant, lessee or lessor, or any other person may make any exterior change, alteration, or addition, nor construct, erect, place, or post any sign, object, light, or thing on the exterior of the buildings or any Common Element without first obtaining the written approval of the Board of Directors and Declarant as long as the Developer controls the Association or owns one or more Units primarily for sale. Application shall be in writing and shall provide such information as the Board of Directors may reasonably require. The Board of Directors may publish written architectural standards for exterior alterations or additions, and any request in substantial compliance with any such published standards shall be approved. In the event that the Board of Directors fails to approve or to disapprove such application within ninety (90) days after it has been submitted, the application shall be deemed approved and this Section 6.05 shall be deemed complied with; provided that even if the requirements of this section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of this Declaration or the Bylaws or any building code or zoning ordinance or any other applicable law, ordinance or regulation. As a condition of approval for a requested architectural change, modification, addition, or alteration of the grounds or landscape affected to facilitate an architectural change, modification, addition, or alteration, an Owner, on behalf of himself and his successors-in-interest, shall assume all responsibility for maintenance, repair, and replacement and insurance to or on such change, modification, addition, or alteration. In the discretion of the Board of Directors, an Owner may be made to verify such condition of approval by written instrument acknowledged by such Owner on behalf of himself and his successors-in-interest. The provision of this Section 6.05 shall not apply to the initial construction of any improvements by Declarant or to any exterior changes, alteration, or additions or any construction, erection, placing or posting of any sign, object, light or thing on the exterior of any buildings or any Common Element by Declarant.

6.06 **Satellite Dishes.** No satellite dishes over one (1) meter shall be allowed on the Condominium Property at any time. Satellite dishes less than one (1) meter shall not be allowed on any part of the Common Elements or Limited Common Elements of the Condominium except with the express approval of the Board of Directors as to location of the receiving equipment and dish.

6.07 **Visible Areas.** Nothing may be hung or displayed on the outside or inside of windows except interior inoffensive drapes, curtains, louvered blinds or plantation shutters which, from exterior observation, must be a uniform color of white, off white, light beige or light gray, or as otherwise authorized by the Board of Directors, or placed on the outside walls of a building or otherwise outside of a Unit, or any part thereof. No awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament (except as set forth in Section 6.06) may be affixed to or placed upon an exterior wall or roof or any part thereof, or the exterior of any door or window, or in, on, or over a patio, porch or balcony, visible to the exterior, unless authorized by the Board of Directors. Nothing visible to the exterior may be hung, placed, displayed or maintained in Limited Common Elements unless approved, in writing, by the Board of Directors.

6.08 **Animal or Pets.** No animals, livestock, or poultry of any kind shall be raised, bred or kept on any part of the Condominium, except that no more than two (2) dogs, cats or other common household pets may be kept by the respective Unit Owners in their respective Units provided (i) they are not kept, bred or maintained for any commercial purposes, (ii) the maintaining of pets shall be subject to such rules and regulations as the Board of Directors may from time to time promulgate, including, without limitation, the right to levy fines against persons who do not clean up after their pets, provided however, the Board of Directors shall not have the right to prohibit the right to maintain a pet then owned by a Unit Owner or occupying a Unit unless the Board of Directors determines that maintenance of the pet constitutes a nuisance or creates a detrimental effect on the Condominium or other Units or occupants; and (iii) when outside each pet must be on a leash or caged and be under the control of a responsible person.

6.09 **Common Elements.** All Occupants of Units and their guests shall have a non-exclusive right to the use of the Common Elements, other than the Limited Common Elements, for the purposes for which they are reasonably intended, subject, however, to the following:

- (a) No such use shall encroach upon the lawful rights of other persons;
- (b) The right of the Board of Directors to restrict the use and to govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto.

Those portions of the Common Elements described in this Declaration that are Limited Common Elements will be used and possessed exclusively by the Owners and occupants of the Unit or Units served by the same, and may be used only for the purposes intended.

6.10 **Leasing of Units.** The leasing of a Unit by any Owner, except Declarant, shall be subject to the following provisions:

- (a) Units may be rented only in their entirety; no fraction or portion may be rented. No transient tenants may be accommodated therein. All leases and lessees are subject to provisions of the Declaration and Bylaws. All leases must be in writing and must be for a duration of not less than eleven months. The Unit Owner must make available to the tenant copies of the Condominium Documents including the Declaration, By-Laws, and Rules and Regulations. Any lessee, by occupancy in a Unit, agrees to the applicability of this covenant and agrees to comply strictly with all provisions of the Declaration, Bylaws, and with the Rules and Regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Upon entering into any lease the Unit Owner shall notify the Board of Directors in writing of the name or names of the tenant or tenants, the name or names of all persons entitled to occupy the Unit pursuant to such lease, and the term of such lease.
- (b) Any lessee charged with a violation of the Declaration, By-Laws, or Rules and Regulations is entitled to the same rights to which an Owner is entitled as provided in the Association's Bylaws.
- (c) Notwithstanding anything to the contrary herein contained, the provisions of this Article shall not apply to impair the right of any Mortgagee to:
- (i) foreclose or take title to a Unit pursuant to remedies contained in any deed to secure debt;
 - (ii) take a deed or assignment in lieu of foreclosure; or
 - (iii) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

6.11 **Signs.** No signs of any kind, except one "For Rent" or "For Sale" sign per Unit of not more than six (6) square feet placed only inside the enclosed Unit, shall be erected, placed, or permitted to remain on the Condominium Property. The Board of Directors shall have the right to promulgate and enforce rules and regulations concerning the content, color, graphics and any other aspect of any "For Rent" or "For Sale" sign placed on the property. The Board of Directors shall have the right to erect reasonable and appropriate signs in its discretion. However, the foregoing restriction shall not apply to the business activities, signs and billboards of Declarant or its duly authorized agents, representatives, or employees while Declarant owns one or more Units primarily for the purpose of sale.

6.12 **Vehicles.** The Board may promulgate rules and regulations restricting or prohibiting the parking of automobiles, vans, buses, inoperable vehicles, trucks, trailers, boats and recreational vehicles on the Common Elements or Limited Common Elements, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other lawful actions as it deems appropriate. The provisions of this Section 6.12 shall not apply to Declarant or its duly authorized agents, representatives, contractors, suppliers or employees.

6.13 **Parking.** Parking shall only be permitted within the areas designated for parking on the Common Elements and Limited Common Elements. The parking spaces shall be used exclusively for the parking of passenger vehicles. The provisions of this Section 6.13 shall not apply to Declarant or its duly authorized agents, representatives, contractors, suppliers or employees.

6.14 **No Repairs.** No repairs or similar activity of any nature to vehicles, boats or other motorized machines shall be permitted to be performed on the Common Elements, except in the event of an emergency.

6.15 **Additional Rules and Regulations.** Subject to the approval of Declarant while Declarant owns any Unit primarily for the purpose of sale, which approval may be granted or withheld in Declarant's sole and unfettered discretion, the Board of Directors may adopt, and amend from time to time, additional rules and regulations, as provided in Section 3.05, concerning the use of the Property which rules and regulations may be in addition to, but not conflict with, the restrictions in this Declaration.

6.16 **Nuisance.** No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property, and no odor shall be permitted to arise therefrom, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Condominium. No nuisance shall be permitted to exist or operate upon any portion of the Condominium so as to be offensive or detrimental to persons using or occupying the portions of the Condominium.

6.17 **Prohibited Activities.** Noxious or offensive activities shall not be carried on in any Unit or in the Common Elements or the Limited Common Elements. Each Unit Owner, his family, guests, invitees, servants and agents shall refrain from any act in his Unit or on the Common Elements or Limited Common Elements which could reasonably cause embarrassment, discomfort, annoyance or a nuisance to the Occupants of the Units or which may result in cancellation or increase in premium of any insurance on any Unit or any portion of the Common Elements or Limited Common Elements, or which would be in violation of any law, code, or governmental regulations.

6.18 **Discrimination.** No action at any time shall be taken by the Association or its Board of Directors which in any manner would for reasons of race, creed, color, sex, religion, national origin, handicapped status or familial status discriminate against any Unit Owner or Unit Owners in favor of any other Unit Owner or Unit Owners.

6.19 **Heating of Dwellings in Colder Months.** In order to prevent breakage of water pipes during colder months of the year resulting in damage to the Property, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum of fifty-five (55) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) during the months of October, November, December, January, February, March and April whenever the temperature is forecasted to or does reach thirty-two (32) degrees Fahrenheit or below. Owners and Occupants of Units shall

take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the months specified above when the heating equipment is not working properly, the Unit Owner or Occupant shall immediately inform the Board of Directors of this failure of the equipment and of the time needed to repair the equipment. Notwithstanding any provision to the contrary, any Owner or Occupant may be fined up to Five Hundred (\$500.00) Dollars for violation of this requirement by the Board of Directors, in addition to any other remedies of the Association, without a prior warning, demand, or hearing. Any fine imposed pursuant to this paragraph shall be deemed an assessment against the Unit and may be collected in the same manner as provided herein for the collection of assessments.

6.20 **Occupancy.** Occupancy of the Unit shall be limited to a maximum of two persons per bedroom. "Occupancy," for the purposes of this Declaration, shall be defined as staying overnight in a Unit for a total of more than thirty (30) days, either consecutive or non-consecutive, in any year.

6.21 **Construction in Easements.** No structure, planting or other material may be placed or permitted to remain within the easements for the installation and maintenance of utilities and drainage facilities which may damage or interfere with the installation and maintenance of utility lines or which may change the direction of the flow or drainage channels in the easement areas. The utility facilities within the easement areas will be subject to the right of the Association to maintain the same, and its right to delegate that right to a public authority or utility.

6.22 **Abatement of Violations.** The violation of any Rule or Regulation adopted by the Board of Directors of the Association or breach of the provisions of the Condominium Documents, shall give the Declarant, the Association or any Unit Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including court costs, attorneys fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner, upon all of his additions and improvements thereto and a security interest under the Alabama Uniform Commercial Code upon all of his personal property in his Unit or located elsewhere on the Condominium Property. Nothing herein contained shall prevent an Owner from maintaining such an action or proceeding against the Association and the expense of any action to remedy a default of the Association shall be a Common Expense if a court of competent jurisdiction finds the Association to be in default as alleged in such action or proceeding.

6.23 **Failure of the Association to Insist on Strict Performance; No Waiver.** Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or

restriction but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors of the Association.

6.24 **Use by Declarant.** Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors of the Association nor their use of the Condominium Property or application of this Declaration shall interfere with the Special Development Rights reserved herein, which include completion of the contemplated improvements, sales of the Units in the Condominium and related activities. Subject to the rights of the Mortgagees hereunder, until six months after the later of the date the Declarant no longer owns any Unit primarily for the purpose of sale, the Declarant may make such use of the unsold Units and of the Common Elements as may facilitate such completion and sales, including, but not limited to, maintenance of a sales office, construction office, management office and model units, the showing of the Condominium Property and the Units therein, and the display of signs thereon and therein. Further, during the time period stated above, the Declarant may use the Condominium Property for location of a construction trailer or the storage of construction materials or any other purpose that the Declarant sees fit. The Declarant expressly reserves the right to lease any Unit which it may own in the Condominium Property on such terms as it may deem proper and desirable and may transfer Units subject to such lease.

ARTICLE 7

EASEMENTS

In addition to the easements granted to each Unit Owner in regard to the Common Elements set forth in Section 6.09, and the easements set forth in the Act, there shall exist the following easements or easement rights:

- (a) The Association shall have easements upon, over and under all of the Condominium Property for ingress to and egress from, and the installation, replacing, repairing and maintaining of, all utilities, including but not limited to water, sewer, telephone, electricity, security systems, master television internet service, storm water system, and the road system and all walkways, for all purposes necessary for the proper operation of the Condominium Property.
- (b) The Association shall have the power to grant and accept easements over, through, and across Common Elements for the installation, maintenance, and replacement of utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium, and in addition, if the Board of Directors determine that the grant of easement rights to others is in the best interest of the Association, the Association shall have the right to grant the same, provided that the use of the same would not, in the judgment of the Board of Directors, unreasonably interfere with the use and enjoyment of the Condominium Property by Unit Owners.

- (c) The Association shall have a right of entry and access to, over, upon and through all of the Condominium Property, including each Unit and the Limited Common Elements, to enable the Association to perform its obligations, rights and duties pursuant to this Declaration with regard to maintenance, repair, restoration and/or servicing of any items, things, or areas of or in the Condominium Property. In the event of an emergency, the Association's right of entry to a Unit and its appurtenant Limited Common Elements may be exercised without notice. Otherwise, the Association shall give the Owners or Occupants of a Unit no less than twenty-four hours advance notice prior to entering a Unit or its appurtenant Limited Common Elements.
- (d) Notwithstanding anything to the contrary contained in this Declaration, Declarant and its duly authorized agents, representatives, employees and customers shall have the following easements until six months after the date Declarant no longer owns a Unit primarily for the purpose of sale; an easement to maintain a sales trailer, sales offices, rental offices, model units, a construction trailer, portable potties and construction offices on the Property; to go on and over the Common Elements to conduct sales, rental and construction activities and to construct and maintain signs and structures in connection therewith to add additional improvements to the Common Areas; for the exclusive use (without charge) of the office in the clubhouse for an office and for sales, storage and maintenance activities; to use the bathroom facilities in the clubhouse; and to park vehicles on the paved surfaces the Common Elements, in accordance with Section 6.24 above.
- (e) Notwithstanding anything to the contrary contained in this Declaration, Declarant and its duly authorized agents, representatives, customers and employees shall have a perpetual non-exclusive easement over the Common Elements for the construction and completion of improvements, for making repairs on the Property, for warranty work, for parking of vehicles on the paved surfaces in connection therewith, or for any other legitimate business purpose.
- (f) If any portion of the Common Elements encroaches upon any Unit or any Unit encroaches upon the Common Elements or another Unit as a result of the construction, re-construction, repair, shifting, settlement or movement of any portion of the improvements there shall be an easement for such encroachment and for the maintenance of the same for as long as such encroachment shall exist, provided the physical boundaries of the Units after such construction, reconstruction or repairs are in substantial accord with the description of those boundaries set forth in the Plans and Exhibit "E" of this Declaration.
- (g) There shall be a perpetual non-exclusive easement for vehicular and pedestrian ingress and egress over the driveways of the Property for the benefit of the Developer for any further improvements Developer desires to make.
- (h) There shall be a perpetual, non-exclusive easement for the benefit of the Developer for the maintenance and use of all sewage disposal, storm drainage and

utility distribution systems and facilities as are presently located on the Property, and for the maintenance and use of such sewage disposal, storm drainage and utility distribution systems and facilities as may be constructed or installed on the Property in the future.

- (i) There shall be non-exclusive easements for all police, firemen, ambulance operators, mailmen, delivery men, garbage men, and all similar persons, and to the local governmental authorities and the Association, but not the public in general, to enter upon the Common Elements in the performance of their duties, subject to reasonable rules and regulations as the Board may establish from time to time.

ARTICLE 8 AMENDMENTS

8.01 **Amendments by Declarant.** Without limiting the rights of the Declarant to alter the plans as described in Section 2.03 above, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Declarant from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

- (a) The Declarant reserves the right to amend the Bylaws of the Association until such time as Declarant relinquishes control of the Association as provided in this Declaration.
- (b) The Declarant reserves the right to amend this Declaration so long as there is no Unit Owner other than the Declarant.
- (c) The Declarant reserves the right at any time to amend this Declaration without the consent of other Owners if required by any Mortgagee as a condition of making a loan secured by an interest in a Unit in order to meet the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; provided that any such changes or amendments requested by a Mortgagee shall not materially affect the rights of the Unit Owners or the value of the Condominium Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, attributable to each Unit Owner.
- (d) The Declarant reserves the right to amend this Declaration to correct any scrivener's errors or to make Limited Common Element assignments or reassignments until Developer no longer owns a Unit in the Condominium.

8.02 **Amendments by Unit Owners.** At such time as there is a Unit Owner other than the Declarant, then, in addition to the amendments permitted under Section 8.01 above, the Declaration may be amended in the following manner:

- (a) A proposal to amend this Declaration may be considered at any meeting of the members of the Association called for that purpose in accordance with the

provisions of the Bylaws; provided that the Association provides prior written notice of such meeting to the Mortgagees as provided in Section 10.01 below. The proposal to amend the Declaration must be approved by the affirmative vote of the Unit Owners representing not less than sixty-seven percent (67%) of the total allocated votes of the Association and by the affirmative vote of the Mortgagees representing fifty-one percent (51%) of the total allocated votes of the Units subject to Mortgages.

(b) Notwithstanding the foregoing, no amendment to the Declaration under this Article 8 shall:

(i) change a Unit, including the ownership in Common Elements, responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Unit Owners so affected and prior written approval of the holders of record of any mortgage or other liens on the Unit or Units so affected; or

(ii) change, impair or prejudice the rights of Declarant or change the provisions of this Declaration with respect to the Declarant's rights hereunder without Declarant's prior written approval.

8.03 **Effectiveness of Amendments.** A copy of each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and shall be effective when recorded in the Probate Court of Tuscaloosa County, Alabama.

ARTICLE 9

SUBORDINATION OF LIEN OF ASSESSMENT

9.01 **Priority of Mortgagees.**

(a) Any lien which is or may be created hereunder upon any Unit, including, but not limited to, the lien created for assessments under Section 4.07 hereof and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any Mortgage upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 4.07 hereof on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein.

Notwithstanding the above, the lien created pursuant to Section 4.07 hereof is prior to any Mortgage to the extent of the Common Expense assessments based on the annual budget which would have become due in absence of acceleration

during the six months immediately preceding institution of an action to enforce the lien.

- (b) No provision of this Declaration, the Articles of Incorporation, the By-Laws or the Rules and Regulations shall be construed to grant to any Unit Owner, or to any other party any priority over any rights of the Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or the Common Elements, the Limited Common Elements or any portion thereof.
- (c) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing authority which may become liens prior to a Mortgage, shall be separately assessed against and collected on each Unit as a single parcel, and not on the Condominium Property as a whole.
- (d) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

ARTICLE 10

MORTGAGEES

10.01 Rights of Mortgagees. Each Mortgagee of a Unit shall:

- (a) Be entitled to written notice from the Association of any default in the performance by the Owner of a Unit secured by such Mortgagee's security interest of any obligation under the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations or other Condominium Documents which remain uncured for a period of sixty (60) days;
- (b) Be entitled to attend and observe all meetings of Unit Owners, but not meetings of the Board of Directors;
- (c) Be entitled to copies of annual financial statements made to the Unit Owners and of any insurance policies affecting the Condominium and taken out by or on behalf of the Association;
- (d) Be entitled to inspect the financial books and records of the Association, current copies of the Declaration and any amendments, Bylaws and other rules concerning the Condominium during reasonable business hours;
- (e) Be entitled to notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

- (f) Be entitled to notice of any proposed action which requires the consent of Mortgagees as specified in Section 10.02;
- (g) Be entitled to written notice of any condemnation loss or any casualty loss which affects a material portion of the Condominium or the Unit securing its Unit;
- (h) Be entitled to written notice of any event which affects the Common Elements, or a Unit which is security for a Mortgagee.

Only Mortgagees who shall have first filed with the Association a written request that the notices set forth above be sent to a named agent or representative of the Mortgagee at an address stated in such notice shall be entitled to receive the notices set forth above.

10.02 Consent of Mortgagees.

- (a) Unless Unit Owners who represent at least sixty seven percent (67%) of the total allocated votes in the Association and at least fifty one percent (51%) of the Mortgagees and have given their consent, the Association shall not be entitled to:
 - (i) Change the voting rights of Unit Owners or Mortgagees;
 - (ii) Reallocate interests in the Common Elements or the Limited Common Elements or the right to their use;
 - (iii) Redefine or change any Unit boundaries except as set forth in Section 2.03 above;
 - (iv) Change the convertibility of Units into Common Elements or vice versa;
 - (v) Change the provisions that govern the termination or contraction of the Condominium, or the addition, annexation, or withdrawal of Property to or from the Condominium;
 - (vi) Change the provisions that govern hazard insurance or fidelity insurance;
 - (vii) Change any restrictions on the leasing of Units;
 - (viii) Impose any restrictions on a Unit Owner's right to sell or transfer his Unit;
 - (ix) Establish self-management if professional management had been required previously by the Declaration or by a Mortgagee; and
 - (x) Change the provisions that govern restoration or repair of the Condominium after a hazard damage or partial condemnation in a manner other than that specified in the Declaration;

- (b) The termination of the Condominium for reasons other than substantial destruction or condemnation of the Property must be agreed to by at least sixty seven percent (67%) of the Mortgagees.

For purposes of this Section 10.02, when a Mortgagee who has requested notice as provided above fails to submit a written response to any written proposal for an amendment to the Declaration within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt requested, then such Mortgagee shall be deemed to have approved such amendment.

10.03 V. A. Approval. The Condominium may not be merged with a successor condominium regime without the prior written approval of the Veterans Administration.

ARTICLE 11

COMPLIANCE AND ENFORCEMENT

11.01 Compliance. Each Owner shall comply strictly with the Act, the Declaration, the Bylaws and with the Rules and Regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, restrictions and easements set forth in this Declaration or in the deed to his Unit. The Board of Directors may impose monetary fines or other sanctions as provided in the Bylaws or the Rules and Regulations, collection of which may be made as provided for therein.

11.02 Rights of Action. The Association or any aggrieved Unit Owner may bring an action against Unit Owners for the failure to comply with all lawful provisions of the Declaration, the Bylaws, the Rules and Regulations, or with decisions of the Association made by the Association pursuant to authority granted to it. No delay, failure or omission on the part of the Association or any aggrieved Unit Owner or Owners in exercising any right, obligation, power or remedy provided in this Declaration, the Bylaws, or the Rules and Regulations shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions of this Declaration, the Bylaws or Rules and Regulations, however long continued, or for the imposing of provisions which may be unenforceable. Each Owner hereby acknowledges and agrees that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Unit Owners which is based on any alleged defect in any Unit or the Common Elements, or any damage allegedly sustained by any Unit Owner by reason thereof, but rather, that all such actions shall be instituted by the Unit Owners owning such Units or served by such Common Elements or allegedly sustaining such damage.

ARTICLE 12

GENERAL PROVISIONS

12.01 **Easements and Restrictions of Record**. The Condominium Property is declared to be subject to the restrictions, easements, conditions and limitations now of record, a copy of which easements are attached hereto as Exhibit "G."

12.02 **Termination of the Condominium**. The Condominium may be terminated pursuant to the provisions of § 35-8A-218 of the Act.

12.03 **Eminent Domain**. The provisions of § 35-8A-107 of the Act shall apply in the event any or all of the Property shall be taken by eminent domain. The Association shall represent the Unit Owners in condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof, by the condemning authority and each Unit Owner appoints the Association as attorney-in-fact for such purpose. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association to be held in trust for Unit Owners and their Mortgages as their interests may appear.

12.04 **No Priority over Mortgagee**. No Owner or any other party shall have priority over any rights of any Mortgagee pursuant to its mortgage in case of a payment to the Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

12.05 **Governmental Laws**. Each Unit Owner and the Association shall comply with all applicable governmental laws, statutes, ordinances and regulations (the "Laws") affecting the Units and the Common Elements and each party violating the Laws shall hold harmless and indemnify the others from and against all claims and damages, including court costs, attorney fees and costs of investigation arising out of such violation.

12.06 **Severability**. If any provision of this Declaration shall be deemed to be invalid or unenforceable, the remainder of this Declaration shall not be affected thereby.

12.07 **Gender and Grammar**. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, masculine or feminine shall be assumed as though in each case fully expressed.

12.08 **Captions**. The captions of each article and section hereof as to the contents of each article and section are inserted for convenience only and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular article or section to which they refer.

12.09 **Controlling Law**. The terms and conditions of this Declaration shall be governed by the laws of the State of Alabama.

12.10 **Notice**.

(a) **To the Association**. Any notice to be given to the Association shall be delivered to the office of the Association or deposited in the mail, postage prepaid,

addressed to the Association at the address of the office of the Association or at such other address last designated by notice to the Unit Owner. Such notice shall be deemed given upon hand delivery to the office of the Association or, if mailed, two business days after depositing in the mail.

- (b) To a Unit Owner or Occupant. Any notice to be given to a Unit Owner or occupant of a Unit shall be delivered to the Unit or deposited in the mail postage prepaid, addressed to the Unit Owner or Occupant of a Unit at the address last designated by notice to the Association. Such notice shall be deemed given upon hand delivery to the Unit or, if mailed, two business days after depositing in the mail.

12.11 **Documents Available.** The Association shall make available for inspection upon request, during normal business hours or under other reasonable circumstances, to Unit Owners and Mortgagees current copies of the Declaration, the Bylaws, Plans and Plat, and all other documents affecting the Condominium, including the books and records, financial statements, and the most recent audited financial statement, if one is prepared.

12.12 **Interpretation.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

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DEED Book & Page

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this day of _____, 2006.

ALABAMA CONDOS, L.P.,
a Delaware limited partnership

By: DC Student Apartments - Alabama, L.P,
a Delaware limited partnership

By: DC Developers - Alabama, Inc.

By: Randall Husmann
Its: Chief Financial Officer

ATTEST:

[Signature]

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DEED Book & Page

STATE OF TEXAS)

HARRIS COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that RANDALL HUSMANN whose name as CHIEF FINANCIAL OFFICER of ALABAMA CONDOS, L.P., a Delaware limited partnership, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Declaration of Condominium, he, as such officer and with full authority, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal of office this 28TH day of JUNE, 2006.

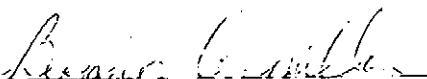
[Signature]
Notary Public
My Commission Expires: 2.14.08

[NOTARIAL SEAL.]



The undersigned, as **MORTGAGEE** under the Mortgage encumbering the real property identified in the foregoing Declaration of Condominium of Crimson Place Condominium, joins in the execution of the foregoing Declaration of Condominium of Crimson Place Condominium, for the sole purpose of consenting to the filing of the Declaration of Condominium of Crimson Place Condominium as required by §§ 35-8A-101, *et seq.* of the CODE OF ALABAMA. The undersigned is not the Declarant, and does not assume any obligation whatsoever under the terms, covenants and conditions of the foregoing Declaration of Condominium, and the execution hereof does not in any way subordinate or make the said Mortgage inferior to the said Declaration of Condominium.

**WACHOVIA BANK, NATIONAL
ASSOCIATION**

By 
Benjamin A. Miller
Senior Vice President

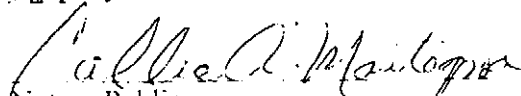
STATE OF TEXAS)

HARRIS COUNTY)

2006 14792
DEED Book & Page

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Benjamin A. Miller, whose name as Senior Vice President of Wachovia Bank, National Association, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Declaration of Condominium, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said company on the day the same bears date.

Given under my hand and seal of office this 22 day of June, 2006.


Notary Public

[NOTARIAL SEAL]

My commission expires:



EXHIBIT "C"

BYLAWS

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BY-LAWS
OF
CRIMSON PLACE ASSOCIATION, INC.

ARTICLE I

Definitions

Unless the context otherwise requires, the terms used in these By-Laws shall have the same meaning as defined in the Declaration of Condominium of Crimson Place Condominium (the "Declaration").

ARTICLE II

General

Section 1. Applicability. These are the By-Laws of **CRIMSON PLACE ASSOCIATION, INC.** (the "Association"), which was formed by recording the Articles of Incorporation of Crimson Place Association, Inc. (the "Articles of Incorporation"), pursuant to the Alabama Nonprofit Corporation Act [CODE OF ALABAMA 1975 §§ 10-3A-1 *et seq.*] with the Office of the Judge of Probate of Tuscaloosa County, Alabama on July 1st, 2006.

Section 2. Name. The name of the corporation is Crimson Place Association, Inc. (the "Association").

Section 3. Membership. An Owner of a Unit shall automatically become a member of the Association upon taking title to the Unit and shall remain a member for the entire period of ownership. If title to a Unit is held by more than one (1) person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Unit to which it appertains and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

Section 4. Voting. Each Unit shall be entitled to one (1) vote which may be cast by the Owner, or by a lawful proxy as provided below. When more than one (1) person owns a Unit, the vote for such Unit shall be exercised as they, between or among themselves, determine, but, in no event, shall more than one (1) vote be cast with respect to any Unit. In the event of disagreement among such persons or an attempt by two (2) or more of them to cast such vote or votes, such persons shall not be recognized, and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, or be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 5. Majority. As used in these By-Laws, the words "majority" shall mean those votes, Owners, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number of votes, Owners, or other groups. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those voting in person or by proxy. Unless otherwise provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Section 6. Purpose. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of CRIMSON PLACE CONDOMINIUM (the "Condominium"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991 [CODE OF ALABAMA §§ 35-8A-101 *et seq.*] and the Declaration. Except as to those matters which either the Act, the Declaration, or the Alabama Nonprofit Corporation Act specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors.

ARTICLE III

Offices

Section 1. Registered Office. The Association shall maintain at all times a registered office in the State of Alabama and a registered agent at that office as required by the Alabama Nonprofit Corporation Act.

Section 2. Principal. The principal office of the Association in the State of Alabama shall be located in the City of Tuscaloosa, Tuscaloosa County and may also have offices at such other places, both within and without the State of Alabama, as the business of the Association may require.

ARTICLE IV

Meetings of the Members

Section 1. Place of Meetings. All meetings of the members shall be held at the Condominium or at such other place as may be determined by the Board of Directors or the President and as shall be designated in the notice of said meeting.

Section 2. Annual Meetings. The regular annual meeting of the members shall be held within the month of November in each year, on a day and at an hour set by the Board of Directors, unless changed by resolution of the Board.

Section 3. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, and shall be called by the President or the Secretary when so directed by a majority of the Board of Directors, or upon the written request of members who have a right to vote at least fifteen percent (15%) of all of the votes of the entire membership. Such a request shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail, or to cause to be delivered, to each member, at his Unit, a notice of each annual meeting of the

Association at least twenty-one (21) days, but no more than sixty (60) days, prior to each annual meeting, and a notice of each special meeting at least ten (10) days, but not more than sixty (60) days, prior to each special meeting. Such notice shall state the purpose of any special meeting, as well as the day, the time and the place where it is to be held. If any Owner wishes notice to be given at an address other than his Unit, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waived by such member of notice of the time, date and place thereof and the manner in which it has been called unless such member attends the meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 6. Voting. If there is a quorum, the affirmative vote of members holding the majority of the votes represented or present at the meeting and entitled to vote on the subject matter shall be the act of the members, except as otherwise provided by law, by the Declaration, by the Articles of Incorporation or by these By-Laws.

Section 7. Quorum. Except as may be provided elsewhere, the presence of members entitled to cast one-third ($\frac{1}{3}$) of the votes of the Association, at the beginning of any meeting, shall constitute a quorum.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 9. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member or his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the appointment form. Proxies must be dated and may be revoked only by written notice delivered to the Association, except that attendance at the meeting and voting in person by the member for whom a proxy is given shall automatically revoke the proxy.

Section 10. Action Without Meeting. Any action which may be taken by a vote of the members at a meeting may also be taken without a meeting if all members who would have been entitled to vote upon the action at a meeting consent in writing to such action.

ARTICLE V

Board of Directors

Section 1. Number. The number of members of the Board of Directors shall be at least three (3), but no more than seven (7), the exact number of members of the Board of

Section 3. Removal of Members of the Board of Directors. At any regular or special meeting of the Association duly called, after Declarant is no longer authorized to appoint and remove Directors, any one (1) or more of the members of the Board of Directors may be removed with or without cause by a two-thirds ($\frac{2}{3}$) vote of the members, and a successor may then and there be elected by the members to fill the vacancy thus created. A Director may be removed only at a meeting called for the purpose of removing him, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new Director or Directors, other than the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors for the remainder of the term of the member being replaced.

Section 5. Compensation. Directors shall not be compensated unless, and to the extent, the members of the Association authorize compensation at any meeting duly called for that purpose.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 8. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall also constitute a waiver of notice by him of the time and place of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required, and any business may be transacted at such meeting.

Section 9. Conduct of Meetings; Quorum. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meeting. *Roberts Rules of Order* (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these By-Laws, unless otherwise agreed prior to the meeting by the Board of Directors. A majority of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Declaration, by the Articles of Incorporation or by these By-Laws.

Section 10. Action Without a Meeting. Any action by the Board of Directors or any committee thereof required, or permitted to be taken, at any meeting may be taken without a meeting if a majority of the members of the Board of Directors shall consent in writing to such

action. Such written consent or consents shall be filed with the minutes of the Board of Directors. 2006 Proceedings of the
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Section 11. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are allowed by the Declaration, Articles of Incorporation, or these By-Laws, except that the Board does not have authority to do those things directed to be done and exercised exclusively by the members as set forth in the Declaration, the Articles and these By-Laws. The Board of Directors shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including, without limitation, monetary fines.

Section 12. Management Agent. The Board of Directors may employ for the Condominium a professional management agent or agents, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. Moreover, any management contract shall comply with the requirements of the Act and the Declaration.

Section 13. Committees. The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board, designate one (1) or more committees, each of which shall consist of two (2) or more directors and which, to the extent provided in said resolution or resolutions or in the By-Laws of the Association, shall have, and may exercise, all of the powers of the Board of Directors in the management of the activities and affairs of the Association and may have power to authorize the seal of the Association to be affixed to all papers which may require it; except that no such committee shall have the authority of the Board of Directors in reference to (a) amending, altering or repealing the By-Laws; (b) electing, appointing or removing any member of any such committee or any director or officer of the Association; (c) amending the Articles, restating the Articles, adopting a plan of merger or adopting a plan of consolidation with another corporation; (d) authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; (e) authorizing the voluntary dissolution of the Association or revoking proceedings therefor; (f) adopting a plan for the distribution of assets of the Association; or (g) amending, altering or repealing any action or resolution of the Board of Directors which, by its terms, provides that it shall not be amended, altered, or repealed by such committee. The designation of such committee or committees, or the delegation thereto of authority, shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it or him by law.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate officers as, in its judgment, may be necessary. Any number of offices may be held by the same person, except the President and the Secretary.

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Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. Each officer of the Association shall hold office for one (1) year or until his successor is chosen and has qualified, or until his earlier resignation, death or removal, or the termination of his office.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected by the remaining Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Alabama Nonprofit Corporation Act, including, but not limited to, the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, give all notices in accordance with these By-Laws, keep a register of all members of the Association, including their unit number and mailing address, and shall, in general, perform all duties incident to the office of the secretary of a nonprofit corporation organized in accordance with Alabama law.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all moneys and other valuable effects in the name of the Association or the managing agent in such depositories as may, from time to time, be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided below. If the Association employs a management agent, the duties may be delegated to the agent. In such case, the duties shall be performed by the Treasurer in conjunction with the management agent.

Section 8. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE VII

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Association Responsibilities

Section 1. Liability and Indemnification of Officers and Directors.

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (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, 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 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 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.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed 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, 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 the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) 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 subsections (a) and (b), 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.

(d) Any indemnification under Sections (1) and (2) ~~above~~ (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 Sections (1) and (2). 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 such 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 membership.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by, or on behalf of, the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

(f) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members 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.

ARTICLE VIII

Books and Records

Section 1. Accounting. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Board of Directors and committees thereof and shall keep at its registered or principal office in Alabama a record of the names and addresses of members entitled to vote, directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. All books and records of the Association shall be open to inspection by the members or their authorized representatives for any proper purpose at any reasonable time. Such records shall include:

(a) **Association Accounts.** The receipts and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

(1) ***Current Expenses.*** All funds to be expended during the year for the maintenance of the Common Elements and Limited Common Elements (as defined in the Declaration) and the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses and Limited

Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

(2) *Reserve Funds.* All funds to be expended for replacement, acquisition and repair of capital improvements which are a part of Common Elements and Limited Common Elements shall be held in the Reserve Fund Account.

(b) Unit Accounts. An account for each Unit shall be maintained setting forth the name and address of the Unit Owner, the interest percentage in the Common Elements and Limited Common Elements, if any, assigned to that Unit, the amount of each assessment made against that Unit, the dates and amounts in which the assessments become due, the amounts paid on the account and the balance due.

Section 2. Budget. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors shall adopt a proposed budget for each calendar year that shall include the estimated funds required to defray the Common Expenses and Limited Common Expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Within thirty (30) days of adoption of the proposed budget, copies of the budget and proposed assessments shall be transmitted to each member of the Association and a date set for a meeting of the Unit Owners to consider ratification of the budget, not less than fourteen (14) days, nor more than thirty (30) days, after delivery of the budget to the Unit Owners. Unless at the meeting a majority of all Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time a new budget is ratified.

Section 3. Assessments. Assessments against the members for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 31 preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

Section 4. Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the members concerned, and it shall be due thirty (30) days after such notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

Section 5. Compilation of Financial Statement. A financial statement of the accounts of the Association shall be made annually. A copy of any such report, statement or compilation shall be made available for review by each member.

Section 6. Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than three (3) times the amount of the

total annual assessments against members for Common Expenses and Limited Common Expenses. The premiums of such bonds shall be paid by the Association.

ARTICLE IX

Miscellaneous

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Section 1. Notices. Unless otherwise provide in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

(a) If to a Unit Owner, at the address which the Unit Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Unit of such Owner; or

(b) If to the Association, the Board of Directors or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the Owners pursuant to this Section.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directions.

Section 6. Conflicts. In the event of conflicts between the Act, the Declaration and these By-Laws, the Act and the Declaration shall control, in that order.

Section 7. Condemnation. In the event of a taking by condemnation or by eminent domain, the provisions of the Act shall prevail and govern. Each Mortgagee shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give a priority to any Unit Owner in the distribution of proceeds to such Unit Owner.

Section 8. Amendment.

(a) Except as provided below and by the Declaration regarding amendments to certain provisions of the By-Laws, these By-Laws may be amended at an annual or special meeting of the members by a two-thirds (2/3) vote. These By-Laws may also be

amended by the Declarant alone to correct a scrivener's error or for the purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund, purchase, or guarantee security deeds on individual Units, as such requirements may exist from time to time, or to comply with the requirements of any title insurance company. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. Notwithstanding the foregoing to the contrary, every amendment to these By-Laws is subject to the prior written approval of Declarant so long as Declarant owns any Unit primarily for the purpose of sale or has an unexpired option to add Additional Phases to the Declaration, whichever is last to occur.

(b) No modification or amendment to the By-Laws shall be valid and effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file their certificate setting forth the text of the amendment with the Office of the Judge of Probate of Tuscaloosa County, Alabama.

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EXHIBIT "D"

**ARTICLES OF INCORPORATION
OF CRIMSON PLACE ASSOCIATION, INC.**

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This instrument was prepared by:
Carol H. Stewart
3100 Wachovia Tower
420 North 20th Street
Birmingham, Alabama 35203

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**ARTICLES OF INCORPORATION
OF
CRIMSON PLACE ASSOCIATION, INC.**

The undersigned, acting as incorporator of a nonprofit corporation under the Alabama Nonprofit Corporation Act, CODE OF ALABAMA 1975, §§ 10-3A-1, *et seq.* (the "Act"), adopts the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation shall be **CRIMSON PLACE ASSOCIATION, INC.**, hereinafter referred to as the "Association."

SECOND: The period of its duration is perpetual.

THIRD: This Association is not organized for profit, and the purpose for which the Association is organized is to provide an entity pursuant to the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975, §§ 35-8A-101, *et seq.* for the operation, management, maintenance, control and administration of **CRIMSON PLACE CONDOMINIUM**, located in Tuscaloosa, Tuscaloosa County, Alabama (the "Condominium").

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

A. The Association shall have all the common law and statutory powers of a nonprofit corporation and the powers designated under the Alabama Uniform Condominium Act of 1991 which are not in conflict with the terms of these Articles or the Declaration of Condominium of Crimson Place Condominium (the "Declaration"), as they may be amended from time to time, including, but not limited to, the following (capitalized terms shall have the meaning as set forth in the Declaration):

1. To acquire, hold, lease, manage, mortgage or convey real, personal or mixed property wherever situated, including, without limitation, Units in the Condominium.

2. To make and collect assessments against the members as provided in the Declaration to defray the costs, expenses and losses of the Condominium or any other business enterprise, venture or property interest of the Association, and to use the proceeds of the assessments in the exercise of the powers and duties herein provided.

3. To borrow funds to pay for such expenditures as may be authorized by the provisions of the Declaration and to assign as security for said loan rights to future income of the Association through assessments.

4. To maintain, repair, replace, clean, ~~maintain~~ and operate the property of the Condominium or the property of the Association.

5. To purchase insurance for the protection of the Condominium and the Association and its members.

6. To make and amend reasonable Rules and Regulations respecting the use of the property of the Condominium or the property of the Association.

7. To lease or grant easements or licenses for use of the Common Elements of the Condominium in a manner not inconsistent with the rights of owners of Units in the Condominium.

8. To enforce by legal means the provisions of the Alabama Uniform Condominium Act of 1991, Declaration, the Articles and By-Laws of the Association, and the Rules and Regulations for the use of the property of the Condominium or the Association.

9. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Association, except such as are specifically required to be performed by the Association.

10. The objects and purposes set forth in Article Third of these Articles shall be construed as powers, as well as objects and purposes, and the Association shall have, and may exercise, such powers as if such powers were set forth in full herein.

11. The Association shall have, and may exercise, all powers as shall enable it to do each and every thing necessary, suitable, convenient, expedient or proper for the accomplishment of any or all purposes and the attainment of any or all objects set forth in Article Third.

12. The Association shall have, and may exercise, all powers set forth in any other Article of these Articles of Incorporation, the Act, or the Alabama Uniform Condominium Act of 1991, CODE OF ALABAMA 1975, § 35-8A-101, *et seq.*

B. All funds and title of properties acquired by the Association, and the proceeds therefrom, shall be held in trust for the members in accordance with the provisions of the Declaration and the By-Laws of the Association.

FIFTH: The members of the Association shall consist of all of the record owners of Units in the Condominium and, after termination of the Condominium, shall consist of those who are members at the time of such termination and their heirs, successors and assigns. Membership in the Association shall be evidenced by a deed or other instrument establishing a record title to a Unit in the Condominium recorded in the Probate Office of Tuscaloosa County, Alabama. Upon such recordation, the Owner of the Unit designated by such instrument shall become a member of the Association, and the membership of the prior Owner shall be terminated. 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 Unit. The exact number of votes to be cast by Owner(s) of a Unit and the manner of exercising voting rights shall be determined by the Declaration and the By-Laws of the Association.

SIXTH: The affairs of the Association shall be managed by a Board of Directors consisting of the number of directors as shall be determined by the By-Laws. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

Notwithstanding the provisions set forth in this Article Sixth, Alabama Condos, L.P. (the "Declarant"), its successors and assigns, shall control by appointing and renewing officers and members of the Board until such time as (a) sixty (60) days have elapsed since seventy-five (75%) of the Units in the Condominium which may be created have been conveyed to purchasers of Units other than the Declarant, or (b) two years after Declarant has ceased to offer Units for sale of Declarant has exercised any development right, provided that the Developer may, at its option, to terminate control of the Association, whichever first occurs. Not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Developer, the Unit Owners other than the Developers shall be entitled to elect twenty-five percent (25%) of the Members of the Board. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than Developer, not less than thirty-three and one-third percent (33 $\frac{1}{3}$ %) of the members of the Board may be elected by the Unit Owners. 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 one (1) Unit. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10) nor more than thirty (30) days' notice of a special meeting of the membership for the purpose of electing the members of the Board of Directors.

The initial Board of Directors shall have four (4) Directors. The names and addresses of the members of the Board of Directors who shall hold office until their successors are elected and have qualified, or until such Directors are removed, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Brian Dinerstein	6363 Woodway, Suite 1000 Houston, Texas 77057
John Caltagirone	6363 Woodway, Suite 1000 Houston, Texas 77057
Mark Foraker	6363 Woodway, Suite 1000 Houston, Texas 77057
Daniel Kughen	1641 McFarland Boulevard Tuscaloosa, Alabama 35406

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Any director may be removed, either with or without cause, at any time, by a two-thirds (2/3) vote of all persons present in person and entitled to vote at a meeting of the Unit Owners at which a quorum is present, other than a director appointed by Developer. The vacancy in the Board caused by any such removal may be filled by the members at such meeting or at any subsequent meeting in the manner prescribed in the By-Laws for the filling of vacancies on the Board.

SEVENTH: The address of the Association's initial registered office is: 1641 North McFarland Blvd., Suite A-1, Tuscaloosa, Alabama 35406, and the name of its initial registered agent is R.A. Turner, Jr., with the same address.

EIGHTH: The Association shall have the right to indemnify each person who shall serve as a director, officer, employee, or agent of the Association, or shall serve at the request of the Association in a similar capacity with another association, joint venture, trust, or other enterprise, to the extent to which this Association is granted the power to so indemnify such persons by any and every statute of the State of Alabama or act of the Legislature of the State of Alabama.

NINTH: No contract or other transaction between the Association and any person, firm, or association, 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 related to or interested in (either as director, stockholder, officer, employee, member or otherwise) such person, firm, or association. Any director of the Association individually, or any firm or association of which any director may be a member of, 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 at 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 association without regard to the fact that he is also a director of such affiliated association.

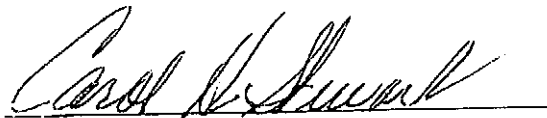
TENTH: Upon the dissolution of the Association, the assets of the Association shall be distributed to the members in the same manner as provided in the Declaration for the distribution of the property, subject thereto upon termination of the Condominium, to the extent that such dissolution is not inconsistent with the provisions of the Act.

ELEVENTH: The Association reserves the right to amend, alter, change or repeal any provision contained in these Articles in the manner now or hereafter provided by law, and all rights conferred upon officers and directors herein are granted subject to this reservation.

TWELFTH: The name and address of the incorporator are:

Carol H. Stewart
Burr & Forman LLP
3100 Wachovia Tower
420 North 20th Street
Birmingham, Alabama 35203

WHEREFORE, this incorporator files the Articles of Incorporation and tenders to the Probate Judge of Tuscaloosa County, Alabama the lawful fees and charges, and prays that these Articles may be examined and approved, and that the Association may be deemed to be incorporated for the purposes herein set out.



CAROL H. STEWART
Incorporator

2006 14848
DEED Book & Page

EXHIBIT "E"

**DESCRIPTION AND BOUNDARIES OF UNITS IN
CRIMSON PLACE CONDOMINIUM**

Upper and Lower Boundaries. The upper boundary of each Unit is the horizontal plane of the unfinished upper interior surface of the ceiling. The upper boundary is above the plaster, dry-wall or other material forming the finished interior surface of the ceiling. The lower boundary of each Unit is the horizontal plane of the lower unfinished surface of the floor. The lower boundary is below the wood, tile or other material forming the finished flooring. The upper and lower boundaries of each Unit extend to their intersection with the perimetrical boundaries of the Unit.

Perimetrical Boundaries. The perimetrical boundaries of each Unit are the vertical planes of the interior unfinished surface of the walls of the Unit (whether such walls separate the Unit from other Units or the Common Elements) and the vertical planes of the unfinished exterior surfaces of windows and entry doors. The perimetrical boundaries are outside all doors and windows therein, and all sheetrock, lath, and wallboard of the perimeter walls of the Unit. The materials constituting the interior finished surfaces of the walls, including without limitation, the molding, tiles, wallpaper and paint are within the boundaries of each Unit. The perimetrical boundaries of each Unit extend to their intersection of the upper and lower boundaries of the Unit.

General. Window screens and all fixtures, equipment and appliances located within the boundaries of each Unit are deemed to be a part of such Unit. Any heating and/or air conditioning compressors, units, components or other apparatus serving a Unit located beyond the boundaries of the Unit shall be deemed a part of that Unit, but any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements. If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lie partially inside and partially outside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit, but any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

Without limiting the generality of the foregoing, or, as appropriate, in addition each Unit shall include:

1. the decorated surfaces, including paint, wall covering, tile and other finishing material applied to floors, ceilings, and interior and perimeter walls, carpeting, if any, and also the floors and ceilings themselves, and the drywall and other finishing wall material;
2. all windows, skylights, if any, and screens and doors, including storm doors and windows, if any, and the frames, sashes, glass and jams, and the hardware therefor;

3. all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the building and from utility pipes, lines or systems serving the entire building or more than one Unit thereof, including, without limiting the generality hereof, built-in cabinets, dishwashers, garbage disposers, refrigerators, stoves and hoods, television antennas and cables, furnaces, hot water heaters, heating and air conditioning units, exterior lighting, (even though located outside the bounds of a Unit), and components of the foregoing, if any;
4. all plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts, conduits and apparatus, wherever located, which serve only that Unit;
5. all control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and ceilings which service either the Unit or the fixtures located therein;
6. all interior walls that are not necessary for support of the structure, and all components thereof and all space encompassed thereby; and
7. the portion of fireplaces, if any, actually within the interior of a Unit, and fireplace vents or chases;

excluding therefrom, however, all of the following items, whether or not located within the bounds of that Unit:

- (a) any supporting element of the building contained in interior walls;
- (b) all plumbing, electric, heating, cooling and other utility service lines, pipes, sump pumps, if any, and accessories thereto, wires, ducts and conduits which serve any other Unit; and
- (c) chimneys, if any.

2006 14850
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EXHIBIT "F"

2006 14851
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CRIMSON PLACE CONDOMINIUM

SHARE OF COMMON ELEMENTS
AND COMMON EXPENSES
ALLOCATED TO EACH UNIT, LIMITED COMMON ELEMENTS AND VOTES

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
111	0.863%	1; 5	1
112	0.835%		1
113	0.835%		1
114	0.863%		1
211	0.863%		1
212	0.835%		1
213	0.835%		1
214	0.835%		1
215	0.835%		1
216	0.863%	25; 26	1
311	0.515%	83	1
312	0.515%	98	1
313	0.515%	100	1
314	0.515%	94	1
321	0.515%	118	1
322	0.515%	119	1
323	0.515%	101	1
324	0.515%	120	1
331	0.515%	99	1
332	0.515%	112	1
333	0.557%	95	1
334	0.557%	102	1
341	0.515%	96	1
342	0.515%	97	1
343	0.557%	81	1
344	0.557%	113	1
411	0.515%	167	1
412	0.515%	66	1
413	0.515%	160	1
414	0.515%	170	1
415	0.515%	159	1
416	0.515%	158	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
421	0.515%	187	1
422	0.515%	67	1
423	0.515%	153	1
424	0.515%	165	1
425	0.515%	171	1
426	0.515%	62; 154	1
431	0.515%	172	1
432	0.557%	162	1
433	0.557%	157	1
434	0.515%	186	1
435	0.515%	161	1
436	0.515%	57	1
441	0.515%	169	1
442	0.557%	163	1
443	0.557%	61; 156	1
444	0.515%	168	1
445	0.515%	164	1
446	0.515%	59	1
511	0.696%	43	1
512	0.696%	41	1
513	0.696%	56	1
514	0.696%	46	1
515	0.696%	38	1
516	0.696%	53	1
521	0.696%	45; 416	1
522	0.696%	44	1
523	0.696%	50	1
524	0.696%	33	1
525	0.696%	40	1
526	0.696%	54	1
531	0.696%	36	1
532	0.696%	52	1
533	0.696%	72	1
534	0.696%	47	1
535	0.738%	37	1
536	0.736%	70	1
541	0.696%		1
542	0.696%		1
543	0.696%	71	1
544	0.696%	42	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
545	0.738%		1
546	0.736%		1
611	0.696%	262	1
612	0.696%	195	1
613	0.696%	285	1
614	0.696%	372	1
621	0.736%	260	1
622	0.696%	201	1
623	0.736%	366	1
624	0.696%	371	1
631	0.736%	197	1
632	0.696%	196	1
633	0.736%	369	1
634	0.696%	370	1
641	0.736%	198	1
642	0.696%		1
643	0.736%	373	1
644	0.696%		1
711	0.696%	331	1
712	0.696%	298	1
713	0.696%	294	1
714	0.696%	344	1
715	0.696%	295	1
716	0.696%	363	1
721	0.736%	304	1
722	0.738%	293	1
723	0.696%	284	1
724	0.696%	345	1
725	0.696%	296	1
726	0.696%	364	1
731	0.736%	303	1
732	0.738%	290	1
733	0.696%	286	1
734	0.696%	346	1
735	0.696%	355	1
736	0.696%	365	1
741	0.736%	300	1
742	0.738%	301	1
743	0.696%	287	1
744	0.696%	299	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENTS PARKING SPACE(S) ASSIGNMENT	VOTE
745	0.696%	291	1
746	0.696%	292	1
811	0.696%	233	1
812	0.696%	234	1
813	0.696%	311	1
814	0.696%	312	1
815	0.696%	323	1
816	0.696%	322	1
821	0.696%	306	1
822	0.736%	307	1
823	0.696%	313	1
824	0.738%	317	1
825	0.696%	324	1
826	0.696%	332	1
831	0.696%	309	1
832	0.736%	832	1
833	0.696%	314	1
834	0.738%	315	1
835	0.696%	326	1
836	0.696%	320	1
841	0.696%	308	1
842	0.736%	318	1
843	0.696%	321	1
844	0.738%	316	1
845	0.696%	325	1
846	0.696%	319	1
911	0.863%	335; 374	1
912	0.835%		1
913	0.835%		1
914	0.835%	338; 342	1
915	0.835%		1
916	0.863%	340; 341	1
1011	0.863%	403; 404	1
1012	0.835%	402; 405	1
1013	0.835%	400; 401	1
1014	0.863%		1
TOTAL	100.00%		148

EXHIBIT "G"

EASEMENTS AND RESTRICTIONS OF RECORD ^{2006 14855}
~~BOOK~~ Book & Page

1. Right of way easement to Alabama Power Company as recorded in Deed Book 285, at Page 112 in the Probate Office of Tuscaloosa County, Alabama.
2. Right of way easement to Alabama Power Company as recorded in Deed Book 430, at Page 127 in the Probate Office of Tuscaloosa County, Alabama.
3. Right of way easement to Alabama Power Company as recorded in Deed Book 372, at Page 417 in the Probate Office of Tuscaloosa County, Alabama.
4. Right of way easement to Alabama Power Company as recorded in Deed Book 326, at Page 438 in the Probate Office of Tuscaloosa County, Alabama.
5. Right of way easement to Alabama Power Company as recorded in Deed Book 409, at Page 303 in the Probate Office of Tuscaloosa County, Alabama.
6. Right of way easement to Alabama Power Company as recorded in Deed Book 542, at Page 587 in the Probate Office of Tuscaloosa County, Alabama.
7. Right of way easement to Alabama Power Company as recorded in Deed Book 340, at Page 406 in the Probate Office of Tuscaloosa County, Alabama.
8. Right of way easement to Alabama Power Company as recorded in Deed Book 256, at Page 223 in the Probate Office of Tuscaloosa County, Alabama.
9. Right of way easement to Alabama Power Company as recorded in Deed Book 268, at Page 83 in the Probate Office of Tuscaloosa County, Alabama.
10. Right of way easement to Alabama Power Company as recorded in Deed Book 689, at Page 476 in the Probate Office of Tuscaloosa County, Alabama.

EXHIBIT "H"

PROPOSED ESTIMATED OPERATING BUDGET

CRIMSON PLACE ASSOCIATION, INC.

INCOME

32 Units @ 0.515%	\$185/month	\$2,220/year	\$71,040
8 Units @ 0.557%	\$200/month	\$2,400/year	\$19,200
66 Units @ 0.696%	\$250/month	\$3,000/year	\$198,000
14 Units @ 0.736%	\$264/month	\$3,168/year	\$44,352
8 Units @ 0.738%	\$264/month	\$3,168/year	\$25,344
12 Units @ 0.835%	\$300/month	\$3,600/year	\$43,200
8 Units @ 0.863%	<u>\$310/month</u>	<u>\$3,720/year</u>	<u>\$29,760</u>
Total			\$430,896/Year

GENERAL ADMINISTRATION

<u>Expenses</u>	<u>Monthly</u>	<u>Annualized</u>
Manager	\$3,325.00	\$39,900.00
Maintenance Director	\$2,250.00	\$27,000.00
Telephone and Internet	\$200.00	\$2,400.00
Postage	\$125.00	\$1,500.00
Legal and Accounting	\$250.00	\$3,000.00
Licenses	\$100.00	\$1,200.00
Management Fee	<u>\$ 2,220.00</u>	<u>\$26,640.00</u>
Total Expenses	<u>\$ 8,470.00</u>	<u>101,640.00</u>

Building Maintenance

<u>Expenses</u>	<u>Monthly</u>	<u>Annualized</u>
General Maintenance/Repairs	\$650.00	\$7,800.00
Landscape Maintenance	\$1,850.00	\$22,200.00
Pest Service	\$500.00	\$6,000.00
Termite Warranty	\$460.00	\$5,520.00
Elevator Maintenance	\$632.00	\$7,584.00
Pool Service	\$200.00	\$2,400.00
Water and Sewer	\$6,180.00	\$74,160.00
Trash	\$800.00	\$9,600.00
Common Area Electricity	\$1,750.00	\$21,000.00
Janitorial/Cleaning	\$1,000.00	\$12,000.00
Nightly Courtesy Personnel	\$2,500.00	\$30,000.00
Individual Unit Internet Service	\$4,440.00	\$53,280.00

Gate & Remote System	\$200.00	\$2,400.00
Directors and Officers Insurance	\$108.33	\$1,300.00
Fidelity Bond	\$77.85	\$934.15
GL and Property Insurance	<u>\$3,619.17</u>	<u>\$43,430.00</u>
Total Expenses	\$24,967.35	\$299,608.15

Reserves of the Association

Building	<u>\$ 44,696.00</u>
Total Reserves	<u>\$ 44,696.00</u>
Total Association Expenses	<u>\$470,816.00</u>

Association Income

40% Employee Salary for 1 year for warranty work	<u>\$(15,960.00)</u>
Total Income	<u>\$(15,960.00)</u>
<u>Grand Total Net Expenses</u>	<u>\$454,856.00</u>

2006 14857

Recorded in the Above

DEED Book & Page

07-10-2006 04:29:09 PM

Source Of Title: 2005 / 8187

W. Hardy McCollum - Probate Judge

Tuscaloosa County, Alabama

Book/Pg: 2006/14754

Term/Cashier: SCAN1 / MWhite

Tran: 6766.455407.547320

Recorded: 07-10-2006 16:38:14

PJF Probate Judge Fee

2.00

REC Recording Fee

261.00

SOT Source of Title

1.00

Total Fees: \$ 264.00

**CRIMSON PLACE CONDOMINIUM
LIMITED NEW HOME WARRANTY**

THIS AGREEMENT made this _____ day of _____, 2006, by and between ALABAMA CONDOS, L.P. ("Seller") and _____ ("Buyer") for the purchase and sale of Unit _____ in Crimson Place Condominium ("Unit").

WHEREAS, Seller has caused the Condominium Unit situated in the City of Tuscaloosa, County of Tuscaloosa, State of Alabama; and

WHEREAS, Seller does hereby agree to give a limited new home warranty on the Unit for a period of one (1) year following Closing or occupancy by the Buyer, whichever event shall first occur, upon the following conditions.

NOW, THEREFORE, in consideration of the payment of the purchase price of the Unit and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and upon the premises and agreements hereinafter set forth, the parties hereby agree as follows:

1. Not later than thirty (30) days after Closing or occupancy, whichever event shall first occur, the Buyer shall deliver a written list of (a) any minor omissions or malfunctions not previously made known in writing to the Seller and (b) any pending or outstanding items from the punch list, if any, submitted by Buyer to Seller on or before Closing or occupancy. To the extent that such items are a normal Seller responsibility or not otherwise excluded hereunder, corrections or adjustments will be made by the Seller.

2. Seller warrants the Unit to be free from latent defects for a period of one (1) year following Closing or occupancy, whichever event shall first occur.

A latent defect in construction is herein defined as a defect not apparent at time of occupancy or Closing, but which becomes apparent within one (1) year from date of Closing or occupancy, whichever event shall first occur, and such defect has been directly caused by Seller's failure to construct in accordance with the standards of construction prevailing in the Tuscaloosa area. It is stressed, however, that normal characteristic behavior of building materials, wear and tear, general maintenance, and like items, will not constitute a latent defect.

PROCEDURE: Should it appear that a possible latent defect (non-emergency nature) has developed, Buyer shall outline pertinent details in writing, and deliver same to Seller within the one (1) year period. Following receipt of such notice, Seller will make an inspection. If a latent defect exists, the Seller will (at Seller's sole option) either (1) repair, (2) replace, or (3) pay to Buyer the reasonable cost of such repair or replacement due to such latent defect(s); however, Seller shall not be obligated to spend more than the purchase price of the Unit.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED
HEREIN, THIS WARRANTY DOES NOT COVER ANY APPLIANCE,
PIECE OF EQUIPMENT, OR ITEM WHICH IS A CONSUMER**

PRODUCT FOR PURPOSES OF THE MAGNUSON-MOSS WARRANTY ACT (15 U.S.C., §§ 2301 THROUGH 2312).

THIS LIMITED WARRANTY IS GIVEN IN LIEU OF ANY AND ALL OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY AND WORKMANSHIP, EXCEPT, IF APPLICABLE, SUCH WARRANTY AS SPECIFICALLY STATED IN ANY REQUIRED VA/FHA WARRANTY DELIVERED SIMULTANEOUSLY HEREWITH, EACH OF WHICH IS HEREBY WAIVED BY BUYER. (Buyer's Initials _____).

3. The Seller shall not be liable under this Limited New Home Warranty unless written notice of the latent defect shall have been given by Buyer to Seller within the one (1) year warranty period. Steps taken by the Seller to correct any defect or defects shall not act to extend the warranty period described hereunder.

4. If Buyer has given Seller written notice of the latent defect within the one (1) year warranty period, the Buyer shall have ninety (90) days after expiration of the one (1) year warranty to initiate mediation and arbitration relating to any defects not corrected by Seller hereunder.

5. Seller hereby assigns to Buyer all of Seller's rights, if any, under manufacturers' warranties on appliances and items of equipment included in the Unit. Seller assumes no responsibility for such manufacturers' warranties and Buyer should follow the procedures in the warranties if defects appear in such appliances and items of equipment.

6. Seller does not assume responsibility for any of the following, all of which are expressly excluded from coverage under this Limited New Home Warranty:

- (a) Defects in appliances and pieces of equipment which are covered by manufacturers' warranties;
- (b) Incidental, consequential, or secondary damages caused by a breach of this warranty;
- (c) Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; mildew and fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather-stripping;
- (d) Conditions resulting from condensation on, or expansion or contraction of, materials;
- (e) Defective design or materials supplied by Buyer or installed under his direction, or defects in, or caused by anything not built into or installed in the Unit pursuant to contract between Seller and Buyer;

- (f) Damages due to ordinary wear and tear, abusive use, or lack of proper maintenance of the Unit;
- (g) Loss or injury due to the elements;
- (h) Landscaping or any portion thereof is hereby expressly excluded from this warranty, including sodding, seeding, shrubs, trees and plantings;
- (i) Insect damage of any nature whatsoever;
- (j) Non-uniformity of appearance of used or simulated used brick;
- (k) Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, formica and glass not expressly identified to Seller prior to Closing;
- (l) Dripping faucets and toilet adjustments after the initial thirty (30) day warranty period described herein;
- (m) Utility service lines installed by municipality or service company and back filling, or slumping thereof, including meters;
- (n) Deterioration or defects in asphalt paving;
- (o) Changes or failures in the underground water table and subsurface soil structures beyond the Seller's control;
- (p) Damage due to the abuse or neglect of the Buyer, or the Buyer's failure to provide proper maintenance;
- (q) Special Exclusions:

7. All warranty work shall be scheduled during normal weekday working hours except in emergencies.

8. This warranty is extended only to the Buyer(s) named herein. It is not transferable to subsequent Buyers of the Unit and is subject to Buyer's occupancy or occupancy of Buyer's immediate family.

9. Should any term of this Agreement be deemed by a Court of competent jurisdiction to be unenforceable, such determination shall not affect the enforceability of the remaining provisions.

10. Use of one gender shall include all other genders; use of the singular shall include the plural; and use of the plural shall include the singular; all as may be appropriate.

11. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Alabama.

12. All claims, disputes or other matters in question arising out of, or relating in any way to, this Contract or the breach thereof, including claims against any broker or sales associate, or relating to the relationship involved with, created by or concerning this Contract, including the involvement of any broker or sales associate ("Claim"), shall be submitted to mediation with a mutually agreed-upon mediator within forty-five (45) days of notice of the Claim. In the event no mediated resolution is reached within sixty (60) days of the party's notice of the Claim, all Claims shall be resolved by binding arbitration by a single arbitrator in Tuscaloosa, Alabama in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Each party acknowledges that he or she is knowingly waiving the right to a trial by jury relating to all Claims. All disputes concerning the arbitrability of any Claim or the enforceability or scope of this provision shall be subject to the same binding arbitration. The parties shall bear equally the cost of the arbitrator, and each party shall otherwise bear their own costs; provided, the arbitrator shall have the authority to award costs as a part of this award to the extent authorized by applicable law. The arbitrator shall follow the law applicable to any Claim and shall be empowered to award any damages or other relief which would be available under the law applicable to any such Claim. The determination of the arbitrator shall be final, binding on the parties and non-appealable, and may be entered in any court of competent jurisdiction to enforce it. The parties acknowledge and agree that the transactions contemplated by and relating to this Contract, which may include the use of materials and components which are obtained from out of state and which otherwise include the use of interstate mails, roadways and commerce, involve interstate commerce, as that term is defined in the Federal Arbitration Act, 9 U.S.C. § 2.

13. This is the entire and sole agreement of the parties. All prior representations and agreements, including the Sales Contract pertaining to the purchase and sale of the Unit, are incorporated or merged herein or superseded hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

BUYERS:

 Witness to Buyer's Signature(s)

 BUYER

 Witness to Buyer's Signature(s)

 BUYER

SELLER:

ALABAMA CONDOS, LP

 Witness to Seller's Signature(s)

By: _____
 Its: _____
 SELLER

Source of Title: Deed Book 2005, at Page 8187

2008 15252
Recorded in the Above
DEED Book & Page
07-11-2008 08:34:24 AM
Source Of Title: 2005 / 8187
W. Hardy McCollum - Probate Judge
Tuscaloosa County, Alabama

SECOND AMENDMENT
TO
DECLARATION OF CONDOMINIUM
OF
CRIMSON PLACE CONDOMINIUM

This instrument prepared by:

Joseph E. Powell, Esq.
Spruell & Powell, LLC
911 Main Avenue
Northport, Alabama 35476
(205) 345-8755

**SECOND AMENDMENT
TO
DECLARATION OF CONDOMINIUM
OF
CRIMSON PLACE CONDOMINIUM**

STATE OF ALABAMA)
TUSCALOOSA COUNTY)

THIS SECOND AMENDMENT to the Declaration of Condominium of Crimson Place Condominium ("Second Amendment") is made this 25th day of January, 2008, by the undersigned for the purpose of amending the Declaration of Condominium of Crimson Place Condominium as filed in the Office of the Judge of Probate of Tuscaloosa County, Alabama on July 10, 2006, recorded in Deed Book 2006, Page 14754, (the "Declaration") and amended by the filing of the First Amendment to the Declaration date May 23, 2007 and filed in Deed Book 2007, at Page 24980.

WITNESSETH:

WHEREAS, the Declaration was filed for the purpose of establishing a plan of condominium ownership for certain real property situated in Tuscaloosa County, Alabama known as Crimson Place Condominium (the "Condominium");

WHEREAS, all Units in the Condominium have been conveyed to Owners other than Developer;

WHEREAS, the Association and certain of its Unit owner members desire to amend the Declaration to correct, assign and re-assign certain parking space assignments as shown in Exhibit "F" to the Declaration in accordance with The Alabama Uniform Condominium Act as codified in Title 35, Chapter 8A, at Section 208 related to Limited Common Elements.

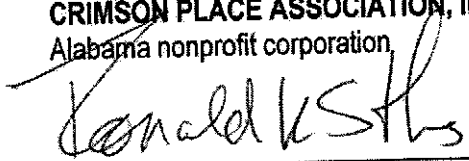
NOW THEREFORE, upon the recording hereof the undersigned does hereby amend the Declaration as follows:

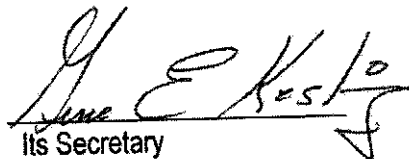
1. The undersigned hereby amend Exhibit "F" of the Declaration to reflect corrected parking space assignments, which are assigned to the Units as Limited Common Elements. The corrected Exhibit "F" is attached hereto, amending as to units 826, 541, 521.
2. It is the intention of the Association, the Unit Owners and all Mortgagees that the provisions of this Second Amendment to Declaration are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

4. This second Amendment to Declaration has been executed by the undersigned and filed in the Office of the Judge of Probate of Tuscaloosa County, Alabama for the purposes as stated above. Except for the aforesaid, the terms and conditions of the Declaration shall continue to be in full force and effect without any changes whatsoever.
5. Capitalized terms as used herein shall have the same meaning as they are defined in the Declaration, unless the context clearly indicates a different meaning therefore.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment to the Declaration on this 25th day of January, 2008.

CRIMSON PLACE ASSOCIATION, INC., an
Alabama nonprofit corporation


By: Ronald K. Stokes
Its: President

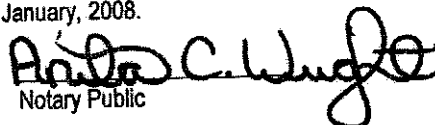
Attest: 
Its Secretary

2008 15254
Recorded in the Above
DEED Book & Page
07-11-2008 08:34:24 AM

STATE OF ALABAMA)
TUSCALOOSA COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Ronald K. Stokes whose name as President of Crimson Place Association, Inc., is signed to the foregoing Second Amendment to declaration of Condominium of Crimson Place Condominium, and who is known to me, acknowledged before me this day that, being informed of the contents of this Second Amendment, he executed the same with authority and on behalf of the Association voluntarily on the day the same bears date.

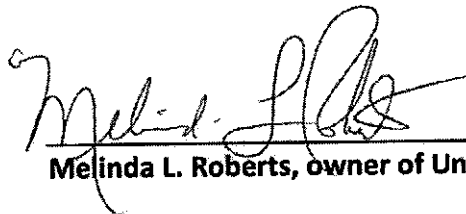
Given under my hand and seal of office this 25 day of January, 2008.


Notary Public

MY COMMISSION EXPIRES JUNE 30, 2009
My commission expires: _____

2008 15255
Recorded in the Above
DEED Book & Page
07-11-2008 08:34:24 AM

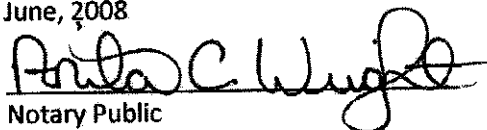

Stephen A. Roberts, owner of Unit 541


Melinda L. Roberts, owner of Unit 541

STATE OF ALABAMA)
TUSCALOOSA COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Stephen A. Roberts and Melinda L. Roberts, whose names are signed to the foregoing Second Amendment to declaration of Condominium of Crimson Place Condominium, and who are known to me, acknowledged before me this day that, being informed of the contents of this Second Amendment, they executed the same voluntarily on the day the same bears date.


Given under my hand and seal of office this 30th day of June, 2008

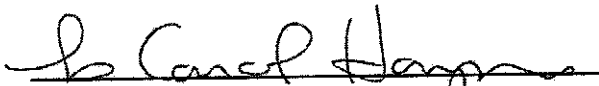

Notary Public

My commission expires:

MY COMMISSION EXPIRES JUNE 30, 2009
600Z '09 30E 30E3 NOISSIHVOC AN

2008 15256
Recorded in the Above
DEED Book & Page
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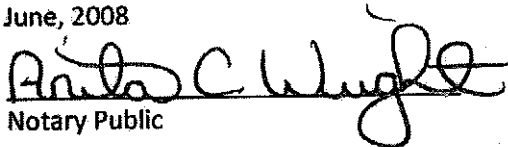

James Donald Harper, Jr., owner of Unit 521


Lois Carol Harper, owner of Unit 521

STATE OF ALABAMA)
TUSCALOOSA COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that James Donald Harper, Jr. and Lois Carol Harper, whose names are signed to the foregoing Second Amendment to declaration of Condominium of Crimson Place Condominium, and who are known to me, acknowledged before me this day that, being informed of the contents of this Second Amendment, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal of office this 30th day of June, 2008


Notary Public

My commission expires:
MY COMMISSION EXPIRES JUNE 30, 2009

John B. Lyda, owner of Unit 826

David M. Lawson
David M. Lawson, owner of Unit 826

Shelby)
STATE OF ALABAMA)
~~TUSCALOOSA COUNTY~~)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that ~~John B. Lyda and~~ David M. Lawson, whose names are signed to the foregoing Second Amendment to declaration of Condominium of Crimson Place Condominium, and who are known to me, acknowledged before me this day that, being informed of the contents of this Second Amendment, they executed the same voluntarily on the day the same bears date.

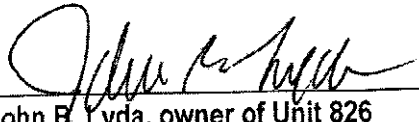
Given under my hand and seal of office this 20th day of February, 2008.

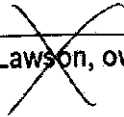
Andrea Y. Davis
Notary Public

My commission expires: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Feb 25, 2010
BONDED THRU NOTARY PUBLIC UNDERWRITERS

2008 15257
Recorded in the Above
DEED Book & Page
07-11-2008 08:34:24 AM

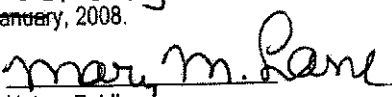

John B. Lyda, owner of Unit 826

~~~~
David M. Lawson, owner of Unit 826

STATE OF ALABAMA)
TUSCALOOSA COUNTY)
Jefferson

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that John B. Lyda and ~~David M. Lawson~~, whose names are signed to the foregoing Second Amendment to declaration of Condominium of Crimson Place Condominium, and who are known to me, acknowledged before me this day that, being informed of the contents of this Second Amendment, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal of office this 24th day of ~~January~~ February, 2008.


Notary Public

My commission expires: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: May 2, 2009
BONDED THRU NOTARY PUBLIC UNDERWRITERS

2008 15258
Recorded in the Above
DEED Book & Page
07-11-2008 08:34:24 AM

EXHIBIT "F"

CRIMSON PLACE CONDOMINIUM

**SHARE OF COMMON ELEMENTS
 AND COMMON EXPENSES
ALLOCATED TO EACH UNIT, LIMITED COMMON ELEMENTS AND VOTES**

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
111	0.863%	1; 5; 13	1
112	0.835%	2; 3; 36	1
113	0.835%	6; 7; 9	1
114	0.863%	4; 10; 14	1
211	0.863%	11,12,15	1
212	0.835%	16; 19, 20	1
213	0.835%	17; 21; 22	1
214	0.835%	18; 29; 30	1
215	0.835%	23; 24; 28	1
216	0.863%	25; 26; 27	1
311	0.515%	83; 122	1
312	0.515%	82; 98	1
313	0.515%	100; 124	1
314	0.515%	90; 94	1
321	0.515%	118; 121	1
322	0.515%	91; 119	1
323	0.515%	80; 101	1
324	0.515%	92; 120	1
331	0.515%	99; 125	1
332	0.515%	111; 112	1
333	0.557%	89; 95	1
334	0.557%	93; 102	1
341	0.515%	96; 123	1
342	0.515%	78; 97	1
343	0.557%	79; 81	1
344	0.557%	110; 113	1
411	0.515%	150; 167	1
412	0.515%	66; 140	1
413	0.515%	135; 160	1
414	0.515%	149; 170	1
415	0.515%	136; 159	1
416	0.515%	75; 158	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
421	0.515%	148; 187	1
422	0.515%	141; 67	1
423	0.515%	134; 423	1
424	0.515%	165; 166	1
425	0.515%	145; 171	1
426	0.515%	62; 154	1
431	0.515%	151; 172	1
432	0.557%	138; 162	1
433	0.557%	155; 157	1
434	0.515%	143; 186	1
435	0.515%	76; 161	1
436	0.515%	64; 133	1
441	0.515%	147; 169; 170	1
442	0.557%	142; 163	1
443	0.557%	61; 137; 156	1
444	0.515%	146; 168	1
445	0.515%	139; 164	1
446	0.515%	58; 59	1
511	0.696%	31; 43	1
512	0.696%	41; 73	1
513	0.696%	56; 74	1
514	0.696%	46; 109	1
515	0.696%	35; 38	1
516	0.696%	69; 53	1
521	0.696%	45; 85	1
522	0.696%	44; 49	1
523	0.696%	50; 77	1
524	0.696%	33; 108	1
525	0.696%	34; 40	1
526	0.696%	54; 105	1
531	0.696%	87; 88	1
532	0.696%	39; 51; 52	1
533	0.696%	107; 72	1
534	0.696%	47; 48	1
535	0.738%	32; 37	1
536	0.736%	70; 106	1
541	0.696%	60; 63; 86	1
542	0.696%	55; 84	1
543	0.696%	71; 104	1
544	0.696%	42; 68	1
545	0.738%	188; 189	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
546	0.736%	190; 191	1
611	0.696%	237; 262	1
612	0.696%	195; 209	1
613	0.696%	239; 285	1
614	0.696%	265; 372	1
621	0.736%	205; 260	1
622	0.696%	201; 207	1
623	0.736%	264; 366	1
624	0.696%	371; 399	1
631	0.736%	197; 208	1
632	0.696%	196; 206	1
633	0.736%	368; 369	1
634	0.696%	367; 370	1
641	0.736%	198; 266	1
642	0.696%	199; 236	1
643	0.736%	359; 373	1
644	0.696%	358; 360	1
711	0.696%	279; 331	1
712	0.696%	275; 298	1
713	0.696%	289; 294	1
714	0.696%	276; 344	1
715	0.696%	272; 295	1
716	0.696%	362; 363	1
721	0.736%	277; 304	1
722	0.738%	274; 293	1
723	0.696%	284; 288	1
724	0.696%	345; 347	1
725	0.696%	271; 296	1
726	0.696%	361; 364	1
731	0.736%	303; 305	1
732	0.738%	267; 290	1
733	0.696%	261; 286	1
734	0.696%	328; 346	1
735	0.696%	268; 355	1
736	0.696%	356; 365	1
741	0.736%	278; 300	1
742	0.738%	301; 302	1
743	0.696%	263; 287	1
744	0.696%	280; 299	1
745	0.696%	291; 329	1
746	0.696%	292; 357	1

UNIT #	% OF OWNERSHIP OF COMMON ELEMENTS ALLOCATED INTEREST	LIMITED COMMON ELEMENT PARKING SPACE(S) ASSIGNMENT	VOTE
811	0.696%	233; 252	1
812	0.696%	234; 251; 283	1
813	0.696%	255; 311	1
814	0.696%	229; 312	1
815	0.696%	323; 354	1
816	0.696%	322; 348	1
821	0.696%	259; 306	1
822	0.736%	231; 307	1
823	0.696%	250; 313	1
824	0.738%	317; 334	1
825	0.696%	324; 353	1
826	0.696%	258; 332; 350	1
831	0.696%	232; 309	1
832	0.736%	230; 235	1
833	0.696%	254; 314	1
834	0.738%	227; 315	1
835	0.696%	326; 327	1
836	0.696%	320; 349	1
841	0.696%	253; 308	1
842	0.736%	228; 318	1
843	0.696%	321; 352	1
844	0.738%	226; 316	1
845	0.696%	282; 325	1
846	0.696%	319; 351	1
911	0.863%	335; 336; 374	1
912	0.835%	337; 396; 397	1
913	0.835%	339; 379; 398	1
914	0.835%	338; 342; 376	1
915	0.835%	377; 378; 381	1
916	0.863%	340; 341; 375	1
1011	0.863%	393; 403; 404	1
1012	0.835%	395; 402; 405	1
1013	0.835%	394; 400; 401	1
1014	0.863%	333; 391; 406	1
TOTAL	100.00%		148

Book/Pg: 2008/15252
 Term/Cashier: SCANI / klatner
 Tran: 8276.535499.662503
 Recorded: 07-11-2008 08:37:10
 REC Recordins Fee 28.50
 PJF Probate Judge Fee 2.00
 SOT Source of Title 1.00
 Total Fees: \$ 31.50

2008 15262
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 07-11-2008 08:34:24 AM
 Source Of Title: 2005 / 8187
 W. Hardy McCollum - Probate Judge
 Tuscaloosa County, Alabama

Section 3. Nuisances: No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit, the Common Elements or elsewhere on the Condominium Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall, in the judgment of the Board of Directors, cause unreasonable noise or disturbance to others. All radios, televisions, phonographs, musical instruments or other items which cause noise shall be played at a level that does not annoy or interfere with other residents' enjoyment of the property.

Section 4. Maintenance and Repair: Each Unit Owner shall maintain his Unit in good condition and in good order and repair and shall not do, or allow anything to be done, therein which may increase the rate or cause the cancellation of insurance on any Unit or the Common Elements. No structural alteration, construction, addition or deletions of any Unit or the Common Elements shall be made by the Unit Owners except with the prior written consent of the Board of Directors. Proposed alterations which cost \$2,500 or more shall first require that a refundable deposit in the amount of \$1000 be posted with the Management Company, in addition to a copy of the proper building permits from the City of Tuscaloosa as required and proof of contractor liability insurance. All work shall be performed during normal business hours.

Section 5. Trash Disposal: Trash, garbage and other waste shall be disposed of only in designated areas and in containers and bags authorized. All refuse shall be disposed of in a clean and sanitary manner in sealed, waterproof bags, so as to avoid leakage in route to the refuse receptacles. No trash shall be allowed to accumulate outside the Unit and no trash bags shall be left outside the Unit door. Cigarette butts shall be disposed of in appropriate containers. Residents shall not throw cigarette butts from the balconies to the Common Elements.

Section 6. Storage: Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, firewood, clothing and other articles, shall not be stored or kept in the Common Elements. All storage will be confined to the Unit. No flammable materials may be stored in any portion of the building. Hanging baskets, wind chimes or any other such items shall not be hung on the ceiling, railing or walls of the porches of any Units, and no ornament, planter or statue will be allowed outside the entrance door of the Unit. No clothing, rugs, sheets, blankets, or other laundry articles shall be hung or exposed from the balconies or windows or hung in the Common Elements.

Section 7. Pets:

7.1 The maintenance, keeping, breeding, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit, or upon any Common Elements, except that this shall not prohibit residents from keeping two (2) well-behaved, orderly dogs, cats and/or caged birds or other domestic pet, provided they are not kept or maintained for commercial purposes or for breeding.

7.2 Pets shall not be allowed on any part of the Common Elements unattended for any period of time.

- 7.3 Pets shall not be permitted upon the Common Elements of the Condominium Property unless they are carried or on a leash and shall not be allowed on any of the Common Elements inside the building except for purposes of ingress and egress as discussed herein. Pets should be taken to the adjoining designated grass areas, out of the way of sidewalks and pedestrian traffic to attend to their natural needs.
- 7.4 Pet owners are responsible for cleaning where pets foul the Common Elements. Such fouling shall not be permitted to accumulate but shall be cleaned up immediately.
- 7.5 Any resident who has a pet on any portion of the Condominium Property shall indemnify and hold the Condominium Association and each of its Members, their tenants, guests and employees, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium Property.
- 7.6 Pets shall be registered with the Association and inoculated as required by local law. The Board of Directors of the Association shall have the right to order any person whose pet is a nuisance to remove such pet permanently from the premises upon three (3) days' prior written notice.

Section 8. Signs: No signs of any character shall be erected, posted, or displayed upon, in, from or about any Unit or the Common Elements, including any window or door of a Unit, without the prior written consent of the Board of Directors.

Section 9. Parking and Driving:

- 9.1 The maximum speed limit on the Condominium Property is 5 MPH. All traffic regulations must be observed by each Owner and each Owner's family members, guests, tenants, or employees.
- 9.2 No vehicle shall be parked on the Common Elements except in an authorized and designated parking space.
- 9.3 No boats, campers, trailers, or oversized vehicles may be parked on the Common Elements. No vehicle may be parked on the roads providing ingress and egress or on the Condominium Property except in those spaces which have been designated as parking areas. Any illegally parked vehicle will be towed away at the Owner's expense, and the Owner shall be subject to a fine. No motorized vehicle shall be operated on any walkway or other area except upon the driveways and parking areas designated for vehicular use.
- 9.4 No vehicle which cannot operate on its own power shall remain on the Common Elements for more than twenty-four (24) hours without the express permission of the Board of Directors of the Association, and no vehicle repair other than washing and waxing or the changing of a flat tire shall be made on the

Condominium Property. A violation of this rule will result in the vehicle being towed away at the expense of the Owner and/or the imposition of a fine.

Section 10. Common Elements:

- 10.1 Only authorized maintenance personnel are allowed to adjust water valves, sprinklers, light timers, or any other Common Element equipment.
- 10.2 Any damage to the building or equipment, or other Common Elements or adjacent property caused by an Owner, his family members, guest, tenants, invitees or pets shall be repaired by the Association, and the cost thereof shall be assessed against the Unit Owner as a special assessment.
- 10.3 No item of common ownership shall be removed or damaged by any resident or guest from the Common Elements. Any Owner, resident, family member, guest, tenant or invitee violating this rule shall be sanctioned, fined or subject to criminal prosecution by the Association. The Owner of the Unit in which said resident resides or guest visits shall be held responsible for the cost of any item so removed or damaged.

Section 11. Association Management:

- 11.1 Complaints or suggestions regarding the management of the Condominium or regarding the actions of other Owners or residents shall be made in writing to the Board of Directors of the Association.
- 11.2 No Owner shall request or cause an employee of the Association, or of any Management Company employed by the Association, to do any private work during normal business hours in the Unit except as authorized in writing by the Association.

Section 12. Structures: No structures or appurtenances, such as a doghouse, tent, shack, treehouse, trailer, fence, aerial antenna or playground equipment, shall be placed or erected on any part of the Condominium Property. Outdoor clothes lines shall not be maintained upon any Common Elements at any time.

Section 13. Window Treatment: Draperies, shades or blinds used to cover windows in the Units shall be lined in white or beige shades.

Section 14. Grilling: Fire Department Ordinances prohibit grilling on any balcony. Violations of such ordinances will result in substantial fines. Any Occupant who is found in violation of this rule will be responsible for paying his or her fees as well as paying any fine against the Association.

Section 15. Access: The Board of Directors or its designated agent may request access to individual Units for use in emergency situations, and the Unit Owners must provide this access upon reasonable request.

Section 16. Rules and Regulations: There shall be no violation of any of these Rules and Regulations or of the terms and provisions of the Condominium Documents, or other supplemental Rules which may, from time to time, be adopted by the Board of Directors and promulgated among the membership in writing. Any consent or approval given under these Rules and Regulations may be added to, amended, or repealed at any time by resolution of the Board of Directors.

Section 17. Enforcement of Rules and Regulations: The Association is responsible for the notification of residents and/or Owners regarding violation of these Rules. A minimum fine of \$25.00 will be assessed against any resident or Owner who violates or allows to be violated by his family members, guests, tenants, invitees or pets any Rule or Regulation. Also, fines may be assessed to cover costs of repairs and damages resulting from any violation. All charges and fines imposed by the Association are due and payable on the first day of each month unless otherwise specified. Failure to pay the fine by the 15th of each month will result in a \$25.00 late penalty per month plus interest on the amount past due at the maximum interest rate allowed by law. Payment shall be made at the Managing Agent's office by check or money order, payable to Crimson Place Association, Inc. Failure to pay any fine or assessment shall constitute a lien against the Unit of the Unit Owner.

Section 18. Monthly Condominium Assessments: All monthly Condominium assessments are due and payable on the first day of each month unless otherwise specified. Payment should be made directly to:

Crimson Place Association, Inc.
c/o Cornerstone Management, LLC
1641 North McFarland Blvd., Suite A-1
Tuscaloosa, AL 35406

Failure to pay by the 15th day of each month will result in a \$25.00 late penalty per month that the assessment is late. After assessments are sixty (60) days late, the matter will be turned over to the Association's attorney who shall then institute collection procedures against the Unit Owner. The delinquent Unit Owner will be responsible for the payment of any attorney's fees and costs arising from the legal action.

Section 19. Lease Agreements: Any Unit Owner who leases his Unit must use a standard lease agreement provided and approved by the Association. All leases executed or renewed after the date of adoption of this rule shall be in the form and manner approved by the Association. A copy of the Condominium Documents and the Rules and Regulations shall be provided to the Tenant, and a copy shall be signed by the Tenant acknowledging that tenant intends to be bound by the same. The Unit Owner shall be responsible for all actions or omissions by the tenant.

Section 20. Tenants: The Board of Directors shall have the authority to contact any Tenant in the Condominium and counsel or discuss any relevant issue concerning the Condominium Documents, Rules and Regulations or any violation thereof. Further, the Association shall have the authority to terminate the lease for violations of the lease and shall

have the right to impose fines and assessments against the Tenant and the Unit Owner for violations of these Rules and Regulations or the Condominium Documents.

Section 21. Elevators and Moving: The elevators shall be used for passenger use only. When using the available carts, great care should be taken to avoid damage to the elevators, walls and doors. Each resident using a cart must return the cart to the location from which it was taken.

When moving furniture, boxes and large parcels (which are not related to moving in or out of the Condominium), the resident must schedule the delivery or removal with maintenance personnel so that an elevator may be properly protected with padding. The cost of repairing any damage to the elevator or the building by the delivery or removal will be assessed against the Unit Owner of the Unit in which the resident lives as a special assessment.

Any resident moving in or out of the Condominium Property must schedule such move with, and pay a \$500.00 deposit to, the Management Company at least one (1) week in advance of the move. Prior to the move, a walk-through of the general area of the move will be conducted by an appointed agent to determine the pre-existing condition of the Condominium Property. After the move, a walk-through of the general area of the move will be conducted by an appointed agent before any portion of the deposit will be returned. The cost to repair any damage caused by the move will be deducted from the \$500.00 deposit. If the cost to repair any damage caused by the move exceeds the deposit, a special assessment will be made against the Unit Owner of the Unit in which the moving resident lives or lived.

Section 22. Construction or Improvements to Units: Prior to the commencement of any construction in any Unit or improvement to any Unit which cost exceeds \$2,500.00, the Unit Owner must obtain the written approval of the Board of Directors of the Association. Prior written approval will only be given after submission of drawings or plans showing in detail the nature and extent of construction or improvement. The Unit Owner shall post a \$1,000.00 deposit with the Management Company at least one (1) week before commencement of construction or improvement. A walk-through will be conducted of the Common Elements in the general area of the construction prior to the commencement of construction to determine the pre-existing condition of the area.

During construction, the contractors, workmen, suppliers and employees must cover the hallway floor on the floor where they are working to prevent dirt and dust to accumulate. Further, such contractors, workmen, suppliers and employees are not permitted on any other part of the Condominium Property and will be ejected if they are observed on any other portion of the Property. The Unit Owner shall be totally responsible for the contractors, workmen, suppliers and employees while they are on the Condominium Property, and the cost to repair any damage or loss to the Condominium Property caused by the contractors, workmen, suppliers and employees, will be assessed as a special assessment against the Unit Owner. The Common Elements of the Condominium must be cleaned each day after construction activities at the Unit Owner's expense. Construction activities are limited to Monday through Friday, 8:00 a.m. to 5:00 p.m., and such activities may not interfere with the quiet enjoyment of the other Unit Owners. No portion of the Common Elements may be altered in any way by any Unit Owner.

After the construction or improvements are completed, the Unit Owner must notify the Management Company, and a walk-through of the general area of the construction will be performed by an appointed agent of the Association before any portion of the deposit will be returned. The cost to repair any damage caused by the construction will be deducted from the \$1,000.00 deposit. If the cost to repair any damage caused by the construction exceeds the deposit, a special assessment will be made against the Unit Owner.

Section 23. Pool and Pool Deck Rules:

- 23.1 All persons using the swimming pool located on the Condominium Property do so at their own risk. The Association is not responsible for any accident or injury in connection with use of the pool or for any loss or damage to personal property. Persons using the pool area agree not to hold the Association liable for any actions of whatever nature occurring within the pool area.
- 23.2 No pets shall be allowed in the pool area.
- 23.3 Persons twelve (12) years of age or under must be accompanied at all times by an adult.
- 23.4 Residents are responsible for the conduct of their guests at all times, and for the careful observance of all safety and sanitation precautions. Any person having an apparent or known skin disease, sore or inflamed eyes, cough, cold, nasal or ear discharge, or any communicable disease shall be excluded from the pool.
- 23.5 No boisterous or rough play shall be permitted in the pools, or in the pool areas. Swimming alone when no other person is in the immediate pool area is prohibited.
- 23.6 All persons are requested to cooperate in maintaining maximum cleanliness and tidiness in the swimming pool areas.
- 23.7 No glassware shall be brought into the pool areas.
- 23.8 Any furniture provided by the Association to be used in connection with the pool shall not be removed from the pool areas.
- 23.9 The pool shall be used in accordance with such rules and regulations as shall, from time to time, be promulgated by the Board of Health of Tuscaloosa County, Alabama, and/or by the Board of Directors of the Association, which rules shall be posted by the Board of Directors.

The pool will be closed from 10:00 p.m. to 8:00 a.m., local time, and during such other times and seasons as may be determined by the Board of Directors.

Section 24. Fitness Center Rules:

- 24.1 All persons using the Fitness Center do so at their own risk. The Association is not responsible for any accident or injury in connection with the use of the Fitness Center or for any loss or damage to personal property. Persons using the Fitness Center agree not to hold the Association liable for any actions of whatever nature occurring at or in connection with the use of the Fitness Center.
- 24.2 No person under the age of fourteen (14) shall be permitted to use the Fitness Center.
- 24.3 The number of persons in a group using the Fitness Center at any one time will not exceed the resident members of the Unit Owner's family or Unit Owner's tenant, whichever is applicable, plus (1) guest.
- 24.4 Unit Owners are responsible for the conduct of their guests and tenants at all times, and for the careful observance of all safety and sanitation precautions.
- 24.5 No boisterous or rough play shall be permitted in the Fitness Center. All persons using the Fitness Center are required to cooperate in maintaining cleanliness and tidiness of the Fitness Center.
- 24.6 Tobacco, spillable containers and glassware are not to be brought into the Fitness Center, except in such areas of the Fitness Center where same are expressly permitted.

The hours of operation of the Fitness Center shall be determined by the Board of Directors.

Section 25. Admission of Guests on Condominium Property:

- 25.1 No garage sales may be held on the Property.
- 25.2 Each Unit Owner is responsible for every person such Owner admits into the Condominium Property, and such entry shall not be permitted except to invited or expected family members, guests and invitees. Any damage caused by the invited person or guest will be assessed against the Unit Owner, and the Unit Owner will be responsible for paying any fine assessed by reason of the invited guest or family member of the Unit Owner.
- 25.3 Any Owner who has his or her Unit for sale is responsible for any person on the Condominium Property viewing such Unit and is responsible for providing ingress and egress to such prospective purchaser or sales agent.
- 25.4 Any entry onto the Property by guests or invitees shall be made without revealing to anyone access codes or making available entry keys.