

STATE OF ALABAMA:

HOUSTON COUNTY:

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
WATERFORD PLACE**

This Declaration is made and entered into this 20 day of December, 1984, by JAMES GRANT COMPANY, INC., an Alabama Corporation, hereinafter referred to as the "Declarant," for itself, and for its successors, grantees and assigns.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Dothan, Houston County, Alabama, which is more particularly described as:

All the property embraced in WATERFORD PLACE, a subdivision in the City of Dothan, Houston County, Alabama, as per plat of same recorded in Plat Book 7, Page 91, in the Office of the Judge of Probate of Houston County, Alabama, and being subject to sewer, utility and drainage easements as described in said plat. Also, Lot 5, Block C of QUAIL CREEK SUBDIVISION, a subdivision in the City of Dothan, Houston County, Alabama, as per map or plat of same recorded in the Office of the Judge of Probate of Houston County, Alabama, in Plat Book 6, Page 16.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I: DEFINITIONS

Section 1: "Association" shall mean and refer to WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., , its successors and assigns.

-2-

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property hereinabove described.

Section 4: "Common Elements" shall mean and refer to all portions of the property not encompassed and included in each Lot as herein defined, and the Common Elements are those that are shown, marked, and identified as such on the plat and that portion of a lake adjacent to and upon Lot 5, Block C of QUAIL CREEK SUBDIVISION, a subdivision in the City of Dothan, Houston County, Alabama, as per map or plat of same recorded in the Office of the Judge of Probate of Houston County, Alabama, in Plat Book 6, Page 16. These Common Elements include the land on which the Common Elements are shown and are to be used as parking areas, walks, lawns, trees, shrubs, lake and docks as shown on the plat or as prescribed by the By-Laws. All other parts of the property outside of each Lot, as defined herein, necessary or convenient to its existence, maintenance and safety, or normally in common use, are part of the Common Elements.

Section 5: "Lot" shall mean and refer to any individual plot of land shown upon any recorded plat of the Properties together with all improvements situated thereon, with the exception of the Common Elements. Additionally, "Lot" shall mean and refer to Lot 5, Block C, of QUAIL CREEK SUBDIVISION, a subdivision in the City of Dothan, Houston County, Alabama, as per map or plat of same recorded in the Office of the Judge of Probate of Houston County, Alabama, in Plat Book 6, Page 16.

Section 6: "Declarant" shall mean and refer to JAMES GRANT COMPANY, INC., an Alabama Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II: PROPERTY RIGHTS

Section 1: Owners' Easements of Enjoyment. Every owner shall have a right and enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Elements;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2: Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, or contract purchasers* who reside on the property.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS

Section 1: Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners of Lots including all annexations to the Properties, with the

exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on December 31, 1986.

ARTICLE IV: COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Elements, and of the homes situated upon the Properties.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the

Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members of who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the Common Elements. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for

a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified lot have been paid.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V: ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography of the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event

said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI: EASEMENTS, COVENANTS AND RESTRICTIONS

Section 1: Use of Property. Each Owner shall be entitled to the exclusive ownership and possession of his Unit and may use ~~THE COMMON ELEMENTS IN CONNECTION WITH THE UNIT AND SHALL NOT~~ were intended without hindering or encroaching upon the lawful rights of other Owners.

Section 2: Right of Access. The Association shall have the irrevocable right, to be exercised by the Manager or the Board of Directors, to have access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Lot.

Section 3: Maintenance of Common Elements. The necessary work of maintenance, repair and replacements of the Common Elements and the making of any additions or improvements thereto shall be carried out as provided in this Declaration and the By-Laws.

Section 4: Prohibited Work. No Lot Owner shall contract for or perform any maintenance, repair, replacement, removal or alteration of the Common Elements or any addition thereto except the Association or its Officers. No Lot Owner shall take or cause to be taken any action within his Lot which would jeopardize the soundness or safeness of any part of the property or impair any easement or right of any easement Owner or affect the Common Elements without the unanimous consent of all the Owners who are affected thereby.

Section 5: Land Use and Building Type. All lots in the Subdivision shall be residential lots. No building or structure shall be erected, placed or permitted to remain on any residential lot other than detached single family dwellings, not to exceed two stories in height, and a private garage. No more than one such dwelling shall be erected on any one numbered lot in the Subdivision. However, more than one lot may be used for the erection of one single family dwelling.

Section 6: Dwelling, Quality, and Size. No dwelling shall be permitted on any lot smaller than herein provided. It being the intention and purpose of the covenant to assure that all dwellings shall be of a quality of workmanship and material substantially the same or better than that which can be produced on the date these covenants are recorded for the minimum permitted dwelling size. The total heated area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1,700 square feet. All construction must comply with Article V hereof with regard to approval by the architectural control committee.

Section 7: Building Location. Buildings shall be constructed in accordance with the R-100-S zoning classification of the City of Dothan, Alabama, and no building shall be located nearer than forty (40) feet to the front lot line nor nearer than fifteen (15) feet from any side lot or side street line. For the purposes of this covenant, eaves, steps and open porches shall not be considered to permit any portion of the building on a lot to encroach upon another lot.

Section 8: Nuisances. No noxious or offensive trade or activity shall be carried on upon any lot, and no activity shall be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 9: Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

ARTICLE VII: GENERAL PROVISIONS

Section 1: Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Section 4: Recording. No amendment to this Declaration shall be effective unless and until duly recorded in the Office of the Judge of Probate of Houston County, Alabama.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 20 day of December, 1984.

JAMES GRANT COMPANY, INC.,
a Corporation

By: [Signature]
James W. Grant, III

ATTEST
[Signature]
Rose G. Grant, Secretary
[Corporate Seal]

STATE OF ALABAMA:

HOUSTON COUNTY:

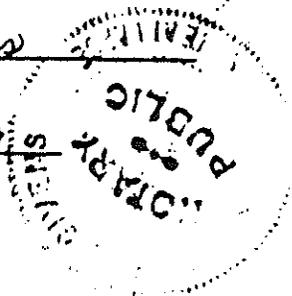
Before me, the undersigned authority, a notary public in and for said county and state, appeared JAMES W. GRANT, III, and I hereby certify that the same JAMES W. GRANT, III, whose name as President of JAMES GRANT COMPANY, INC., a corporation, is signed to the foregoing Declaration and who is known to me, acknowledged before me on this day that, being informed of the contents of the Declaration, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal on this the 20 day of December, 1984.

Wynell Givens
Notary Public

My Commission Expires: 10-13-89

This instrument prepared by:
Charles H. McDougale, Jr., Attorney at Law
P. O. Box 1464, Dothan, Alabama 36302



2500

*Wade
Barney*

STATE OF ALABAMA, Houston County, 88:

I hereby certify this instrument was filed for record on the 21 of Dec A.D., 1984 at 3:18 o'clock P M in my office, and duly recorded in Map Book 24, Page No. 785

Mortgage Tax _____, Deed Tax _____ was paid 2710 R.J. Stammberg
No. JUDGE OF PROBATE, HOUSTON COUNTY

Dec 21 3 18 PM '84
FILED-STATE OF ALA.
HOUSTON COUNTY
R.J. STEMBRIDGE
JUDGE OF PROBATE

ARTICLES OF INCORPORATION

OF

WATERFORD PLACE

HOMEOWNERS ASSOCIATION, INC.

029 PAGE 146

6 periods 43%

3.5

4 periods 50%

4 dividends 2gr 50%

In compliance with the requirements of the Alabama Nonprofit Corporation Act, Sections 10-3-1, et seq., Code of Alabama, 1975, as amended, the undersigned, all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 1814 Montgomery Highway, Dothan, Alabama, 36303.

ARTICLE III

James W. Grant, III, whose address is 1814 Montgomery Highway, Dothan, Alabama, 36303, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Elements within that certain tract of property described as:

All of the property embraced in WATERFORD PLACE, a subdivision in the City of Dothan, Houston County, Alabama, as per plat of same recorded in Plat Book 7, Page 91, in the Office of the Judge of Probate of Houston County, Alabama, and being subject to sewer, utility and drainage easements as described in said plat. Also, Lot 5, Block C of QUAIL CREEK SUBDIVISION, a subdivision in the City of Dothan, Houston County, Alabama, as per map or plat of same recorded in the Office of the Judge of Probate of Houston County, Alabama, in Plat Book 6, Page 16.

The Association is also formed to promote the health, safety and welfare of the residents within the above described property and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions of Waterford Place, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Judge of Probate of Houston County, Alabama, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such

conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Elements, provided that any merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members except as otherwise provided in the Declaration;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Alabama by law may now or hereafter have or exercise.

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners of Lots, with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine

between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on December 31, 1986.

ARTICLE VII

The affairs of this Association shall be managed by a Board of four (4) Directors, who need not be members of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
James W. Grant, III	3411 Huntington Place Dothan, Alabama 36303
Rose G. Grant	3411 Huntington Place Dothan, Alabama 36303
J. Wayne Palmer	1001 Monte Carlo Drive Dothan, Alabama 36303
James W. Grant, IV	3411 Huntington Place Dothan, Alabama 36303

At the first annual meeting the members shall elect two directors for a term of one year, and two directors for a term of two years; and at each annual meeting thereafter the members shall elect two directors for a term of two years.

ARTICLE VIII

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit

corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

The corporation shall exist perpetually.

ARTICLE X

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Alabama, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 20 day of December, 1984.

James W. Grant, III
James W. Grant, III

3411 Harrison Place
Address

Rose G. Grant
Rose G. Grant

3411 Huntington Place
Address

J. Wayne Palmer
J. Wayne Palmer

Address

James W. Grant, IV
James W. Grant, IV

3411 Huntington Place
Address

This instrument prepared by:

Charles H. McDougale, Jr.
Ramsey & Baxley, Attorneys at Law
P. O. Box 1464
Dothan, Alabama 36302

STATE OF ALABAMA, Houston County SS.
I hereby certify this instrument was filed for record
on the _____ of _____ A.D. 1984
at _____ o'clock _____ M in my office, and duly
recorded in _____ Book _____ Page No. _____
Mortgage Tax _____ Deed Tax _____ was paid

No. JUDGE OF PROBATE, HOUSTON COUNTY

BY-LAWS
OF
WATERFORD PLACE
HOMEOWNERS ASSOCIATION, INC.

029 PAGE 151

ARTICLE I

The name of the corporation is WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1814 Montgomery Highway, Dothan, Alabama, 36303, but meetings of members and directors may be held at such places within Houston County, Alabama, as may be designated by the Board of Directors.

ARTICLE II: DEFINITIONS

Section 1: "Association" shall mean and refer to WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Waterford Place, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: "Common Elements" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4: "Lot" shall mean and refer to any individual plot of land shown upon any recorded plat of the Properties together with all improvements situated thereon, with the exception of the Common Elements. Additionally, "Lot" shall mean and refer to Lot 5, Block C of QUAIL CREEK SUBDIVISION, a subdivision in the City of Dothan, Houston County, Alabama, as per map or plat of same recorded in the Office of the Judge of Probate of Houston County, Alabama, in Plat Book 6, Page 16.

Section 5: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declarant" shall mean and refer to JAMES GRANT COMPANY, INC., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Judge of Probate of Houston County, Alabama.

Section 8: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III: MEETINGS OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of Seven (7) o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth ($\frac{1}{4}$) of all the votes of the Class A membership.

Section 3: Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary, ~~whose power shall be~~ revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV: BOARD OF DIRECTORS

Section 1: Number. The affairs of this Association shall be managed by a Board of four (4) directors, who need not be members of the Association.

Section 2: Term of Office. At the first annual meeting the members shall elect two (2) directors for a term of one year, and two directors for a term of two years; and at each annual meeting thereafter the members shall elect two directors for a term of two years.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4: Compensation. No director shall receive compensation for any service he may render to the Association.

However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5: Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V: NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2: Election. Election to the Board of Directors shall be by secret ballot. At such election the members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place

and hour ~~as may be fixed from time to time by resolution of the~~ Board. ~~Should said meeting fall upon a legal holiday,~~ then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3: Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: Powers. The Board of Directors shall have power
to:

- (a) adopt and publish rules and regulations governing the use of the Common Elements and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2: Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days prior to each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within (30) days after due date or to being an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate

states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Elements to be maintained.

ARTICLE VIII: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: Election of Offices. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 4: Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7: Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE IX: COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X: BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI: ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the

property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Lot.

ARTICLE XII: AMENDMENTS

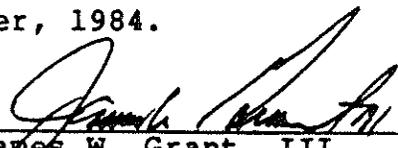
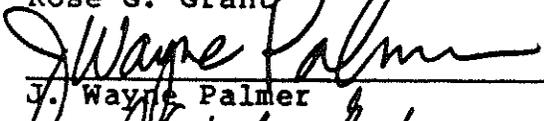
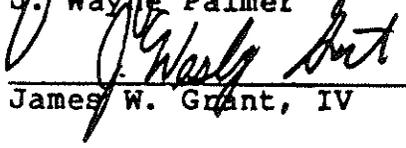
Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII: MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 20 day of December, 1984.

_____	 James W. Grant, III
_____	 Rose G. Grant
_____	 J. Wayne Palmer
_____	 James W. Grant, IV

STATE OF ALABAMA:

HOUSTON COUNTY:

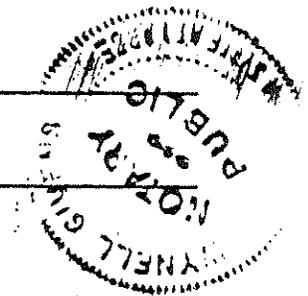
I, the undersigned authority in and for said county and state, hereby certify that JAMES W. GRANT, III, ROSE G. GRANT, J. WAYNE PALMER and JAMES W. GRANT, IV, whose names are signed to the foregoing By-Laws of Waterford Place Homeowners Association, Inc., and who are known to me, acknowledged before me on this day that, being informed of the contents of said By-Laws, they executed the same voluntarily on the day the same bears date.

Given under my hand and seal this, the 20 day of December, 1984.

Dec 21 3 18 PM '84
FILED-STATE OF ALA.
HOUSTON COUNTY
R.J. STEMBRIDGE
JUDGE OF PROBATE

Wynell Givens
Notary Public

My Commission Expires 10-13-89



CERTIFICATION

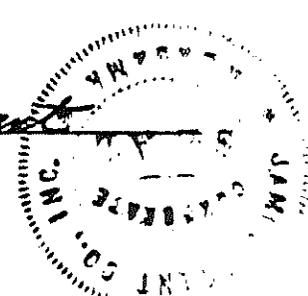
I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of WATERFORD PLACE HOMEOWNERS ASSOCIATION, INC., an Alabama non-profit corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 20 day of December, 1984.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 20 day of December, 1984.

Rose G. Grant
Secretary



This instrument prepared by:
Charles H. McDougale, Jr., Attorney at Law
P. O. Box 1464, Dothan, Alabama 36302

STATE OF ALABAMA, Houston County, SS
I hereby certify this instrument was filed for record on the 21 of Dec A.D., 1984 at 3:18 o'clock P.M. in my office, and duly recorded in Sup. Book 29, Page No. 147

Mortgage Tax _____ Deed Tax _____ was paid
211 R.J. Stembridge
No. JUDGE OF PROBATE, HOUSTON COUNTY