

STATE OF ALABAMA
BALDWIN COUNTY

STATE OF ALABAMA
BALDWIN COUNTY

I certify that this instrument was filed on

FEB 20 1980 1030 A
M

ARTICLES OF INCORPORATION
OF
VENETIAN ISLES CONDOMINIUM
OWNER'S ASSOCIATION, INC.,
A NON-PROFIT CORPORATION

and that no tax was collected. Recorded in *Min*
Book 35
Page 1465 *Henry F. Voline*
1495 Judge of Probate
MH \$1.00 Index \$ By *DF*

We, the undersigned persons of lawful age, for the purpose of becoming a non-profit body corporate for the management of the common affairs and expenses of Venetian Isles Condominium, a condominium in Gulf Shores, Alabama, formed simultaneously herewith pursuant to the provisions of §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975 [hereinafter referred to as the Alabama Condominium Ownership Act] do hereby make, adopt and file these articles of incorporation pursuant to the provisions of the Alabama Non-Profit Corporation Act [§§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975].

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ARTICLE ONE

Name

1.1 The name of the corporation is Venetian Isles Condominium Owner's Association, Inc.

ARTICLE TWO

Duration

2.1 The duration of the corporation shall be perpetual.

ARTICLE THREE

Objects, Purposes and Powers

3.1 The nature and business of the corporation

and the objects and purposes for which it is formed are as follows:

3.2 The corporation shall manage and administer the common affairs and expenses of Venetian Isles Condominium, a condominium in Gulf Shores, Alabama, formed simultaneously herewith pursuant to the provisions of the Alabama Condominium Ownership Act [§§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975] and, to that end, shall arrange for goods, services, utilities and insurance coverage for the joint enjoyment, benefit, and protection of the owners of Venetian Isles Condominium and their respective real interests of ownership therein.

3.3 The corporation shall maintain, repair, replace, clean and sanitize the common elements of Venetian Isles Condominium, as necessary.

3.4 The corporation shall assess and collect funds from the owners of the private individual units of Venetian Isles Condominium and shall utilize such funds to pay for the common expenses (and limited common expenses, if any) of Venetian Isles Condominium. Such expenses shall include, but shall not be limited to, garbage service, sewer service, water service, the lighting of common areas, pool and grounds, maintenance and listing for taxation with respect to common areas, if required by law, for the benefit of Venetian Isles Condominium. The corporation shall not arrange or be responsible for utilities or services benefitting solely private individual units of Venetian Isles Condominium. Any surplus of funds so assessed in excess of such expenses

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at the end of any accounting period shall be retained by the corporation or refunded pro-rata to the owners of private individual units of Venetian Isles Condominium, as the corporation's board of directors may elect.

3.5 The corporation shall maintain forms of insurance coverage which are for the benefit of the unit owners. The premiums for such insurance shall be assessed to the owners of the private individual units of Venetian Isles Condominium on a pro rata basis, and shall constitute a part of each unit owner's liability for common expense. The corporation shall advise each unit owner of the type and amount of insurance coverage maintained by the corporation. An insurance committee or trustee may be appointed by the corporation and charged with responsibility for securing, maintaining and administration of the proceeds of any such insurance. No unit owner or other person or entity having an insurable risk in Venetian Isles Condominium shall be precluded from obtaining additional insurance, individually at his own expense and for his own exclusive benefit, against any risk, whether or not covered by insurance maintained by the corporation. Insurance maintained by the corporation shall include but shall not be limited to coverage of the entire condominium property against loss by fire, windstorm, rainstorm, flood and such other hazards as to which the corporation may desire insurance coverage, and liability insurance against any risk, such as death, personal injury, or damage to property, faced by unit owners or the corporation

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by virtue of their individual common (or limited common, if any) ownership in or control over the condominium property, including but not limited to the acts and omissions of the corporation, its agents, servants and employees.

3.6 The corporation shall exercise the right of access to the private individual units of Venetian Isles Condominium granted it by the Declaration of Condominium of Venetian Isles Condominium during reasonable hours and upon prior notice (except during emergencies) as may be necessary for the maintenance, repair or replacement of any common elements (or limited common elements, if any) therein or accessible therefrom or for making emergency repairs necessary to prevent damage to any other unit or units, or common areas.

3.7 The corporation may purchase units in Venetian Isles Condominium and otherwise acquire, hold, lease, mortgage and convey the same. It may also lease or license the use of the common elements (and limited common elements, if any) in a manner not inconsistent with the right of the owners of the private individual units of Venetian Isles Condominium.

3.8 The corporation may acquire or enter into agreements whereby it acquires personal property, real property, leaseholds, memberships, units or other possessory or use interests in lands, facilities, services or utilities.

3.9 The corporation may enter into agreements by which its powers and responsibilities or some of them may be exercised or performed by some other person or persons.

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3.10 The corporation shall have perpetual succession by its corporate name.

3.11 The corporation shall sue and be sued, complain and defend, in its corporate name.

3.12 The corporation may have a corporate seal which may be altered at pleasure, and may use the same by causing it, or a facsimile thereof, to be impressed or affixed in a convenient manner.

3.13 The corporation may purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, pledge or otherwise dispose of, and otherwise use and deal in and with shares or other interests in, or obligations of, other corporations, associations, partnerships or individuals, whether such entities be for profit or not for profit, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district, county or municipality, or of any instrumentality organized under the auspices, powers or permission thereof.

3.14 The corporation may make contracts and incur liabilities, borrow at such rates of interest as the corporation may determine, issue notes, bonds or other obligations, and secure any of its obligations by mortgage, or pledges of any or all of its property, franchises and income. Nothing in this paragraph shall be construed as conferring upon the corporation any interest of ownership in any part of Venetian Isles Condominium, whether private or common elements (or

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limited common elements, if any); this corporation's sole interest with respect to Venetian Isles Condominium being limited to the administration and management of the common affairs of the separate individual owners of the private individual units of Venetian Isles Condominium.

3.15 The corporation may lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for payment for funds so loaned or invested.

3.16 The corporation may conduct its affairs, carry on its operations, and have offices and exercise the powers granted by the Alabama Non-Profit Corporation Act [§§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975] and the Alabama Condominium Ownership Act [§§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975] in any state, territory, district or possession of the United States, or in any foreign country.

3.17 The corporation may elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

3.18 The corporation may make and alter by-laws, not inconsistent with these articles, the Declaration of Condominium of Venetian Isles Condominium, the laws of the State of Alabama, or the United States, for the administration and regulation of the affairs of the corporation and of Venetian Isles Condominium.

3.19 The corporation may indemnify any director or officer or former director or officer of the corporation,

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any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by such person in connection with the defense of any action, suit or proceeding in which such person is made a party by reason of being or having been such director or officer, except in relation to such matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty; but such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled, under any by-laws, agreement, vote of board of directors or members, or otherwise.

3.20 The corporation may cease its corporate activities and surrender its corporate franchise at any time subsequent to the termination of Venetian Isles Condominium pursuant to the provisions of the Alabama Condominium Act, § 35-8-20 CODE OF ALABAMA 1975; and shall have and exercise all other powers, rights and duties necessary or convenient to the furtherance of any or all of the purposes for which the corporation is organized, including those set forth in the provisions of the Alabama Non-Profit Corporation Act and the Alabama Condominium Ownership Act, whether or not specifically set forth or enumerated in these articles.

ARTICLE FOUR

Limitation on Powers

4.1 Any income received by the corporation shall

be applied only to the non-profit purposes and objectives of the corporation as set forth above, and no part thereof, during membership or upon termination of membership, shall inure to the benefit of any private member or individual.

4.2 The corporation shall not engage in any transaction prohibited by § 503(c) of the United States Internal Revenue Code as now enacted or as hereafter amended, or the Alabama Non-Profit Corporation Act, or the Alabama Condominium Ownership Act.

4.3 The corporation shall not apply accumulation of income in any manner which may subject it to denial of exemptions as provided by § 504 of the United States Internal Revenue Code as now enacted or as hereafter amended.

4.4 No part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in, (including the publication and distribution of statements) any political campaign on behalf of any candidate for public office.

4.5 If, at any time, the corporation shall cease to carry out the purposes herein stated, all assets and property held by it, whether in trust or otherwise, shall after the payment of its liabilities, be paid over to an organization which itself has similar purposes and has established an appropriate tax-exempt status under § 501(c)(3) of the United States Internal Revenue Code as now enacted or as hereafter amended, and shall be applied exclusively for

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the purposes set forth above.

4.6 The corporation shall not serve as advertising or rental agent for the owners in the ordinary course of its business. This provision shall not prevent the corporation from referring prospective renters to the various owners on a rotating or some other equal basis, but under no circumstances shall the corporation receive and pool rental income for distribution to the owners on any basis other than according to the actual rental income generated by each individual unit. This paragraph may not be amended except by unanimous vote of the owners. In the event of such amendment, each owner, whether or not a designated voting member of the corporation, shall sign a certificate to be held in the corporate files acknowledging that the pooling of rental income may subject their interests of ownership in Venetian Isles Condominium to registration under the federal securities acts and the Alabama Blue Sky Laws.

ARTICLE FIVE

Membership and Voting

5.1 There shall be six units of membership in Venetian Isles Condominium Owner's Association, Inc., each unit corresponding to one of the six private individual units of Venetian Isles Condominium. A unit deed to one of the six private individual units of Venetian Isles Condominium from the Developer (Condominium Contractors, Inc.) or some person or entity holding through, under or in direct chain of title from The Developer shall be conclusive evidence of membership in the corporation and shall serve as a certificate

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of membership therein.

5.2 When one of the six units of membership in the corporation is jointly or severally owned by two or more persons or other separate legal entities a majority of the collective owners of that unit shall advise the secretary of the corporation, in writing, of the name of some person, who may but need not be one their number, designated by them to exercise and cast the vote attributable to their unit, and the secretary shall enter such written designation, and such name, in a book kept for that purpose. Venetian Isles Condominium Owner's Association, Inc., shall be entitled to rely on such designation, and shall recognize as entitled to so vote only those six persons who shall have been so designated as voters, notwithstanding that persons or other entities other than those so designated may have various interests of ownership in the individual units from time to time. The majority of the owners of any private individual unit may redesignate, at any time, any person, whether or not an owner, as entitled to exercise the vote of that unit by so notifying the secretary of Venetian Isles Condominium Owner's Association, Inc., in writing. The corporation shall recognize only the vote of the last person so designated by a majority of the owners of each unit of Venetian Isles Condominium.

ARTICLE SIX

Officers

6.1 The officers of the corporation shall consist of a president, vice president, secretary, treasurer and registered agent, and such other officers or assistant

officers as may be deemed necessary by the directors. The offices of president and secretary may not be held by the same individual, but all other offices may be combined in any manner the members see fit. The officers may, but need not be, members of Venetian Isles Condominium Owner's Association, Inc., or owners of all or part of any unit of Venetian Isles Condominium. They must, however, be among those designated as voters pursuant to the provisions of paragraph 5.2 of these articles. The initial officers shall be selected by the incorporators and shall serve until such time as the Developer has completed and sold at least five of the six units of Venetian Isles Condominium. Within thirty (30) days of the Developer's closing of the sale of the fifth (5th) unit of Venetian Isles Condominium the Developer shall call an initial meeting of the members of Venetian Isles Condominium. At such and all subsequent meetings of the members of Venetian Isles Condominium Owner's Association, Inc., the Developer shall hold and exercise the votes of all unsold units of Venetian Isles Condominium to which it continues to hold title at the time of such meeting or meetings. Subsequent to said initial meeting the officers elected shall serve in such manner and for terms, not exceeding three (3) years, as may be prescribed in the corporation's by-laws. The initial officers of the corporation, as selected by the incorporators, are as follows:

| <u>Officers</u> | <u>Addresses</u> | <u>Positions</u> |
|-----------------|----------------------------------------------------|----------------------------------------------------|
| C. W. Spence | Post Office Box 1022 Gulf Shores, Alabama 36542 | President/ Treasurer and Registered Agent |

| <u>Officers</u> | <u>Addresses</u> | <u>Positions</u> |
|--------------------|---------------------------------------------------|------------------|
| Glenn R. Bachar | Post Office Box 684 Gulf Shores, Alabama 36542 | Vice President |
| Samuel G. McKerall | Post Office Box 818 Gulf Shores, Alabama 36542 | Secretary |

ARTICLE SEVEN

Directors

7.1 The initial board of directors shall consist of the incorporators, whose names are set forth below, who shall serve for initial terms which expire when their replacements are selected and qualified or thirty (30) days subsequent to the Developer's sale of five (5) private individual units of Venetian Isles Condominium, whichever first occurs. Thereafter, the board of directors shall consist of the corporation's president, immediate past president, vice president, secretary, treasurer and two additional directors to be selected by the members in a manner to be prescribed by the by-laws. Within thirty (30) days of the Developer's sale of the fifth (5th) unit of Venetian Isles Condominium the Developer shall call an initial meeting of the members of Venetian Isles Condominium Owner's Association, Inc., which meeting shall be for the purpose of electing officers and directors of the corporation. At such and all subsequent meetings of the members of Venetian Isles Condominium Owner's Association, Inc., the Developer shall hold and exercise the votes of all unsold units of Venetian Isles Condominium to which it continues to hold title at the time of such meeting or meetings. Subsequent to said initial meeting the directors elected shall serve in such manner and for terms, not exceeding three (3) years, as

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may be prescribed in the by-laws. In order to assure continuity of management the non-officer directors may be divided into classes according to non-uniform terms of office. Each director shall hold office for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified.

7.2 A director may be removed from office prior to the expiration of his or her term, upon two-thirds (2/3) vote of the other directors and written notice, by certified mail, to such removed director. Vacancies occurring in the board of directors for any reason shall be filled by appointment by the remaining directors, such appointed director to serve for the unexpired term of his predecessor in office.

7.3 The board of directors shall have control and management over the corporation's activities, determine all policies, discipline and assess members, and generally supervise the affairs of the corporation. The board of directors may, by resolution adopted by a majority of the directors in office, designate one or more committees each of which shall consist of two or more directors, which committees, to but only to the extent provided in such resolution, shall have and exercise the authority of the board of directors in the management of the corporation.

7.4 The initial directors of the corporation, with their respective addresses, are as follows:

| <u>Directors</u> | <u>Addresses</u> |
|------------------|----------------------------------------------------|
| C. W. Spence | Post Office Box 1022 Gulf Shores, Alabama 36542 |

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| <u>Directors</u> | <u>Addresses</u> |
|--------------------|---------------------------------------------------|
| Samuel G. McKerall | Post Office Box 818 Gulf Shores, Alabama 36542 |
| Glenn R. Bachar | Post Office Box 684 Gulf Shores, Alabama 36542 |

ARTICLE EIGHT

Registered Office and Agent

8.1 The registered office of the corporation shall be Post Office Box 1022, Gulf Shores, Alabama 36542.

8.2 The registered agent of the corporation shall be C. W. Spence, whose address is Post Office Box 1022, Gulf Shores, Alabama 36542.

ARTICLE NINE

Incorporators

9.1 The names and addresses of the incorporators of Venetian Isles Condominium Owner's Association, Inc., are as follows:

| <u>Incorporators</u> | <u>Addresses</u> |
|----------------------|----------------------------------------------------|
| C. W. Spence | Post Office Box 1022 Gulf Shores, Alabama 36542 |
| Samuel G. McKerall | Post Office Box 818 Gulf Shores, Alabama 36542 |
| Glenn R. Bachar | Post Office Box 684 Gulf Shores, Alabama 36542 |

ARTICLE TEN


Amendments

10.1 These Articles may be amended by the votes representing three-fourths (3/4) of the six units of membership of Venetian Isles Condominium Owner's Association, Inc., cast in person or by proxy at a meeting duly held in accordance

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with the provisions of the By-Laws. The notice of any meeting at which an amendment to these Articles is proposed shall be in writing and shall include specific notice of the nature and terms of the proposed amendment. No amendment may change, alter or eliminate any private individual unit unless and until all of the owners and record mortgage holders of such unit shall have agreed to such amendment, in writing. All amendments shall become effective only upon being placed of record in the Office of the Judge of Probate, Baldwin County, Alabama.

IN WITNESS WHEREOF, the undersigned incorporators of Venetian Isles Condominium Owner's Association, Inc., have subscribed their names to these Articles of Incorporation this the 18th day of February, 1980.



C. W. SPENCE (SEAL)



SAMUEL G. MCKERALL (SEAL)



GLENN R. BACHAR (SEAL)

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STATE OF ALABAMA

BALDWIN COUNTY

Certification of Incorporation

I, the undersigned Judge of Probate of Baldwin County, Alabama, hereby certify that the Articles of Incorporation of Venetian Isles Condominium Owner's Association, Inc., have this day been filed for record in the Probate Court of Baldwin County, Alabama, that the same has been examined and approved by me as being in compliance with the Alabama Non-Profit Corporation Act, §§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975, and the Alabama Condominium Ownership Act, §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975, both as last amended, and that the incorporators of said corporation, their successors and assigns, constitute a body corporate under the name set forth in said certificate, namely, Venetian Isles Condominium Owner's Association, Inc.

IN WITNESS WHEREOF, I, the said Judge of Probate of Baldwin County, Alabama, hereunto set my name and affix my seal of said Probate Court on this the 20th day of February, 1980.

Mary D'Olive (SEAL)
JUDGE OF PROBATE
Baldwin County, Alabama

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STATE OF ALABAMA

BALDWIN COUNTY

BY-LAWS
OF
VENETIAN ISLES CONDOMINIUM
OWNER'S ASSOCIATION, INC.
A NON-PROFIT CORPORATION
FORMED PURSUANT TO
THE PROVISIONS OF
THE ALABAMA NON-PROFIT CORPORATION ACT
AND
THE ALABAMA CONDOMINIUM OWNERSHIP ACT

PREAMBLE

These are the by-laws of Venetian Isles Condominium Owner's Association, Inc., a non-profit corporation formed pursuant to the provisions of The Alabama Non-Profit Corporation Act, §§ 10-3-1 to 10-3-172 CODE OF ALABAMA 1975 and The Alabama Condominium Ownership Act, §§ 35-8-1 to 35-8-22 CODE OF ALABAMA 1975. These are also the by-laws of Venetian Isles Condominium. These by-laws, the Declaration of Condominium of Venetian Isles Condominium, Gulf Shores, Alabama, and the Articles of Incorporation of Venetian Isles Condominium Owner's Association, Inc., are hereby simultaneously filed in the Probate Office of Baldwin County, Alabama, pursuant to the various requirements of the aforementioned statutes. Venetian Isles Condominium Owner's Association, Inc., has been formed pursuant to the provisions of said statutes for the purpose of administering Venetian Isles Condominium, Gulf Shores, Alabama, which condominium is and shall be located on the following real property located in Baldwin

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County, Gulf Shores, Alabama, to wit:

Lot 4, Block 1, Venetian Isles Subdivision
as recorded in Map Book 4, page 157 of the
records of the Judge of Probate, Baldwin
County, Alabama.

OFFICES

1. The principal office and mailing address of Venetian Isles Condominium Owner's Association, Inc., shall be Post Office Box 1022, Gulf Shores, Alabama 36542. The corporation may also have offices in such other places as the Board of Directors may from time to time appoint or the business of the corporation may require.

MEMBERS' MEETINGS

2. All meetings of the members shall be held at Venetian Isles Condominium, Gulf Shores, Alabama; PROVIDED, HOWEVER, that meetings of the members may be held at such other places within the State of Alabama as may be selected by the Board of Directors upon notice to all members of record of the time and place of holding such meetings.

3. At all meetings of the members of the corporation there shall be recognized one vote for each of the six (6) private individual units of Venetian Isles Condominium. Each unit owner, or group of owners of a unit, if more than one, shall advise the secretary of the corporation of the name of the person entitled to exercise such vote and the secretary shall enter such name in a book kept for that purpose. The corporation shall be entitled to rely on such advice and shall recognize as entitled to cast unit votes

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only those persons who have been so designated as voters, notwithstanding that persons other than those so designated shall have various interests of ownership in the individual units from time to time. The majority of the owners of a unit may redesignate, at any time, any person, whether or not an owner, as the person entitled to exercise the vote of that unit, by so notifying the secretary of the corporation, in writing. The corporation shall recognize only the vote of the last person so designated, in writing, by a majority of the owners of each unit.

4. There shall be an annual meeting of the members of the corporation held each year during the month of January, the date of which shall be set by the Board of Directors. Notice of the date, place and time of each annual meeting shall be mailed to each member (whether or not designated as a voting member) by the secretary, by certified mail, not less than ten (10) nor more than sixty (60) days prior to the meeting. Notice mailed to a member's last known address as shown in the corporate records shall be deemed sufficient. The members shall have and assume responsibility to notify the corporation's secretary of their current mailing addresses.

5. At the annual meeting the voting members shall elect officers and directors and transact such other business as may properly be brought before the meeting.

6. The majority of the voting representatives of the six (6) units of membership of Venetian Isles Condominium,

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present in person or by proxy, shall be requisite and shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, by the Declaration of Condominium, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the members, the voting representatives entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting until the requisite number of voting representatives shall be present. At such adjourned meeting at which the requisite number of voting representatives shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

7. At each meeting of the members every voting representative shall be entitled to one vote, to be cast in person, or by proxy appointed by instrument in writing subscribed by each member owner of the voting unit in question, and bearing a date not more than three (3) years prior to said meeting, unless said instrument provides for a longer period. The votes for officers and directors, and upon the demand of any member the vote upon any question before the meeting shall be by secret ballot. All elections shall be had and all questions decided by a majority vote, except as otherwise specifically provided by law, by the Articles of Incorporation, by the Declaration of Condominium, or by these By-Laws. Members who are not voting representatives

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shall be recognized and allowed to participate in the discussion regarding all questions which may come before the meeting.

8. Special meetings of the members may be called by the president, or shall be called by the president or secretary at the request in writing of any two directors or any five members. All such requests for special meetings, and all notices thereof, shall state the purpose of the proposed meeting.

DIRECTORS

9. The property and business of this corporation shall be managed by its Board of Directors, which shall never be less than three (3) in number. Directors need not be members, but must be either members, voting representatives, or both. Prior to the meeting of the members required to be called by the Developer by paragraph 6.1 of the Articles of Incorporation as soon as five of the six condominium units have been sold, the directors shall consist of the incorporators. From and after the initial meeting of the members of the corporation, called as required by paragraph 6.1 of the Articles of Incorporation, the directors shall consist of the corporation's president, immediate past president, vice president, secretary, treasurer, and two additional directors to be selected by the voting representatives. The term of office of one such non-officer director shall expire at the next annual meeting held in an even numbered year, and the term of the other shall expire at the next annual meeting held in an odd numbered year. Thereafter, each non-officer

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director shall be elected for a term of two years. All other directors shall serve for terms as directors coextensive with their terms as officers.

10. Directors shall not receive any salary for their services, but by resolution of the Board of Directors they may be reimbursed for their expenses of attendance, if any, at each regular or special meeting of the Board of Directors.

11. Any one or more of the directors may be removed, either with or without cause, at any time by a vote of more than two-thirds (2/3) of the directors then holding office, but such removal shall be null and void and of no force and effect unless and until the same shall be ratified by a majority of the voting representatives voting at the next meeting of the members following such vote of removal by the directors. In the event of such removal the removed director or directors shall be so notified by certified mail, return receipt requested, and his, her or their successor or successors shall be chosen in the manner prescribed by paragraph 27 of these By-Laws.

MEETINGS OF THE BOARD OF DIRECTORS

12. There shall be regular meetings of the Board of Directors at least once each quarter, or once each month if the directors so elect, and immediately prior to and following all meetings of the members.

13. At their first meeting the directors shall designate the time, place and frequency of their regular meetings, and no further notice thereof shall be required so

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long as the time and place remains unchanged. Special meetings of the Board of Directors may be called upon three (3) days' notice to each director, either personally or by mail, unless such notice is waived by each director in writing.

14. At all meetings of the Board of Directors a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the 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 provided by statute, the Articles of Incorporation, the Declaration of Condominium, or these By-Laws.

15. The Board of Directors may by resolution appoint one or more standing committees, consisting of two or more of their number, for the handling of various routine business. Such committees may negotiate for and on behalf of the corporation, but only a quorum of the Board of Directors, meeting in the manner set forth herein, or the president, acting pursuant to instructions of the Board of Directors, shall have the authority to bind the corporation on any contract.

16. The Board of Directors shall assess and collect funds from the members on a monthly basis and shall utilize such funds to pay for the common expenses (and limited common expenses, if any) of Venetian Isles Condominium. Such expenses shall include, but shall not be limited to,

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garbage service, sewer service, water service, the lighting of common areas, pool and grounds, maintenance and listing for taxation with respect to common areas, if required by law, for the benefit of Venetian Isles Condominium. The corporation shall not arrange or be responsible for utilities or services benefitting solely private individual units of Venetian Isles Condominium. Any surplus of funds so assessed in excess of such expenses at the end of any accounting period shall be retained by the corporation or refunded pro-rata to the owners of private individual units of Venetian Isles Condominium, as the Board of Directors may elect, as determined by the needs of the corporation.

OFFICERS

17. The officers of the corporation shall consist of a president, vice president, secretary, treasurer and registered agent, and such other officers or assistant officers as may be deemed necessary by the directors. The offices of president and secretary may not be held by the same individual, but all other offices may be combined in any manner the members see fit. The officers may, but need not be, members of Venetian Isles Condominium Owner's Association, Inc., or owners of all or part of any unit of Venetian Isles Condominium. They must, however, be among those designated as voters pursuant to the provisions of paragraph 5.2 of the Articles of Incorporation of Venetian Isles Condominium Owner's Association, Inc., and paragraph 27 of these By-Laws. The initial officers shall be selected by the incorporators,

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and shall serve until their replacements are selected and qualified pursuant to the provisions of paragraph 6.1 of the Articles of Incorporation of Venetian Isles Condominium Owner's Association, Inc.

18. The Board of Directors may appoint such other officers or agents as they shall deem necessary, who shall hold their offices for such times and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

19. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officers elected by the members may be removed at any time by the affirmative vote of two-thirds (2/3) of the Board of Directors. In the case of such removal of one or more officers, their successor or successors shall be selected in accordance with the provisions of paragraph 27 of these By-Laws.

THE PRESIDENT

20. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and directors; shall have general supervision and management of the business of the corporation; and shall see that all orders and resolutions of the Board of Directors are carried into effect.

21. The President shall have authority to execute notes, mortgages, bonds and other conveyances of the property of the corporation only upon resolution of the Board of

Directors, and the seal of the corporation must be affixed to such instruments and attested by the Secretary.

THE VICE PRESIDENT

22. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

THE SECRETARY

23. The Secretary shall attend all sessions of the Board of Directors and meetings of the members, and shall record all votes and minutes of all meetings in a book to be kept for that purpose. He or she shall give or cause to be given notice of all meetings of the members and of the Board of Directors, as may be required by the Articles of Incorporation, the By-Laws, or the laws of the State of Alabama. The Secretary shall keep and file the member's designations of the names of their voting representatives, and all proxies presented to the corporation, in separate file folders corresponding to each unit of Venetian Isles Condominium, and shall also keep a separate file or book listing all current voting representatives and proxy holders, to the end that the names of all persons currently entitled to vote at members' meetings may be ascertained by reference to a single file or book. The Secretary shall be custodian of the corporate seal, and when authorized by the Board of Directors, shall affix the seal of the corporation to any instrument requiring it, attesting the same by his or her

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signature. The Secretary shall perform such other duties as the Board of Directors shall prescribe.

THE TREASURER

24. The Treasurer shall have custody of all of the corporation's funds, securities and other property, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors; PROVIDED, HOWEVER, that sums of money may be set up to be exempt from the above provision by the Board of Directors to be known as petty cash funds for the office of the corporation, and the Board of Directors shall prescribe the amount to be so exempt from this provision. Such funds so deposited as are not subject to the above petty cash exemption shall be subject to withdrawal on checks signed by the President and Treasurer, or such other persons as the Board of Directors may from time to time designate. The Treasurer shall render to the Board of Directors at regular meetings of the Board of Directors, whenever required, an account of all financial transactions of the corporation and a report of the financial condition of the corporation. The Treasurer shall perform such other duties as the Board of Directors shall prescribe.

25. The Treasurer shall be responsible for keeping those certain records required to be kept by the Alabama Condominium Act, namely those specified by § 35-8-10 CODE OF

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ALABAMA 1975, which requires:

(4) Provision for the maintenance of accounting records, in accordance with generally accepted accounting principles, open to inspection by unit owners of reasonable times. Such records shall include:

- a. A record of all receipts and expenditures,
- b. An account for each unit, setting forth any shares of common expenses or limited common expenses or other charges due, the due dates thereof, the present balance due and any interest in common surplus or limited common surplus.

THE REGISTERED AGENT

26. The Registered Agent shall maintain the corporation's mailing address, shall report the same to the Alabama Secretary of State, as required by law, and shall report all corporate communications received by him or her to the corporation's Board of Directors. The Registered Agent must be a resident of the State of Alabama. The name and address of the Registered Agent of Venetian Isles Condominium as of the date of these By-Laws is:

C. W. Spence
Post Office Box 1022
Gulf Shores, Alabama 36542

VACANCIES

27. If the office of any director or officer, one or more, becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the directors then in office, although less than a quorum, by a majority vote may choose a successor who shall hold

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office for the unexpired term in respect of which such vacancy occurred.

NOTICES

28. Whenever under the provisions of these By-Laws notice is required to be given to any director, officer or member, it shall not be construed to require personal notice, but such notice may be given in writing, by mail.

WAIVERS

29. The notices of meetings herein required may be waived by the members, in writing, and the members may act for and on behalf of the corporation by written agreement without meetings; however, in all such cases whether with respect to waivers of notice or with respect to action by agreement without meetings, the decisions of the members to so proceed must be unanimous.

AMENDMENTS

30. These By-Laws may be altered or amended by the affirmative vote of three-fourths (3/4) of the voting representatives entitled to vote, PROVIDED that notice of the proposed alteration or amendment be contained in the notice of the meeting at which such alteration or amendment is proposed; or by the affirmative vote of a majority of the Board of Directors by resolution adopted at a regular or special meeting of the Board of Directors; PROVIDED, HOWEVER, that no change in the time or place for the election of directors or officers shall be made within thirty (30) days next before the day on which election is to be held; and in case of any change of such time or place, notice thereof

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shall be given to each member in person or by letter mailed to his last known address at least ten (10) days before the election is held. No amendment may change, alter or eliminate any private individual unit unless and until all of the owners and record mortgage holders of such unit shall have agreed to such amendment in writing. No amendment to these By-Laws shall be of any force or effect unless and until it shall have been filed for record in the Probate Office, Baldwin County, Alabama, at which time it shall become and be of full force and effect.


LIMITATION ON POWERS

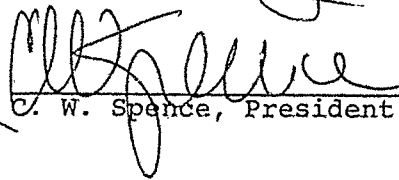
31. The corporation shall not serve as advertising or rental agent for the owners in the ordinary course of its business. This provision shall not prevent the corporation from referring prospective renters to the various owners on a rotating or some other equal basis, but under no circumstances shall the corporation receive and pool rental income for distribution to the owners on any basis other than according to the actual rental income generated by each individual unit. This paragraph may not be amended except by unanimous vote of the owners. In the event of such amendment, each owner, whether or not a designated voting member of the corporation, shall sign a certificate to be held in the corporate files acknowledging that the pooling of rental income may subject their interests of ownership in Venetian Isles Condominium to registration under the federal

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securities acts and the Alabama Blue Sky Laws.

ADOPTED this 18th day of February, 1980.


Samuel G. Mckerall,
Secretary


C. W. Spence, President

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