

Lakewood Commons Condominiums

Owners Association Documents

*Declaration of Condominium
Articles of Incorporation
By-Laws of the Association*

COPY

DECLARATION OF LAKEWOOD COMMONS, A CONDOMINIUM

recorded on August 7, 1984, in Condo Book 1A at
Page 173, in the office of the Judge of Probate,
Lee County, Alabama

CONTENTS

Declaration

Exhibit A - Description of Land

Exhibit B - Plat entitled "Lakewood Commons" of
condominium property showing buildings
and Common Elements, prepared by T.
Richard Fuller, L. S., Ala. Reg. No.
7384, dated July 20, 1984, and recorded
in Plat Book 11, at Page 114, and
rerecorded in Plat Book 11, at Page 117.
Certificate of James H. Johnston,
Registered Architect, No. 781, whose
plans are recorded in Condo Book 1, at
Pages 71-103.

Exhibit C - Schedule of Percentage Ownership of
Common Elements

Exhibit D - By-Laws

ARTICLE 2

The Condominium Property

2.1 Land. Grantor owns in fee simple the tract of land which are described in Exhibit A of this Declaration.

2.2 Flats and Townhouses. Grantor expects to construct upon the Land described in Exhibit A of the Declaration twelve buildings enclosing a total of one hundred ninety-two condominium units (hereinafter referred to as "Units"). The site locations of the Twelve buildings and total of one hundred ninety-two Units are shown on the plat of the Condominium Property contained in Exhibit B of this Declaration. The Unit are graphically depicted in the certified architect's plans which are compiled and recorded in the office of the Probate Court for Lee County, Alabama in Condo Book 1 at Pages 71-103. The Units also are described verbally in Article 6 of this Declaration. Each Unit is composed of the interior cubic space, fixtures, appliances, furnishings, walls, floors, ceilings and building materials enclosed within the following boundaries:

(i) The horizontal (upper and lower) boundaries of each Unit shall extend to the interior unfinished surfaces of the floors and ceilings of each Unit.

(ii) The vertical or perimetric boundaries of each Unit, extended to an intersection with the upper and lower boundaries, are as follows: (a) as to all Unit exterior wall which physically divide the Units from Common Elements of the building, it shall be the vertical plane of the interior surface of the exterior sheathing and the vertical plane of the centerline of all insulated glass windows and all doors; (b) as to all Unit exterior walls which physically divide one Unit from another Unit, it shall be the vertical plane of the centerline of said partition walls; (c) all vertical planes of each Unit shall extend to intersections with each other.

(iii) The boundaries of each Unit shall extend also to include the area enclosed or bounded by the screens, partitions, railings, balustrades or fences of any deck, terrace, balcony, stoop and steps, porch, courtyard, patio or service area which is an integral and exclusive part of that particular Unit. If any such area is not thus bounded or enclosed, the boundaries of the Unit shall be extended to include the area defined or actually covered by any such deck, terrace, balcony, stoop and steps, porch, courtyard, patio or service area.

(iv) Each Unit shall also encompass and include and each Owner shall be responsible for maintenance and repair of the following: (a) the doorways, windows, vents and

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other structural elements in walls, floors and ceilings of the Unit which are regarded as enclosures of space; (b) the doors opening into the Unit and into any mechanical area or courtyard integral to the Unit, including the frames, casings, hinges, handles and other fixtures which are part of the doors; (c) the window glasses, screens, frames, wells and casings which are part of the windows opening from the Unit; (d) the metal flue and the plumbing and mechanical vents which exclusively serve the Unit; (e) the appliances, air conditioning and heating units, hot water heaters, lavatories, bath trim, ceilings, walls, framing, floor joists, trusses, beams, insulation, structural slab and fill and other fixtures, furnishings and building materials which are part of the Unit when delivered to the initial Unit Owner; (f) the screens, partitions, railings, balustrades or fences bounding or enclosing any deck, terrace, balcony, courtyard or service area that is integral and exclusive to the Unit, and the treated wood decking or concrete surface within any such area; and (g) all pipes, wires, electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit, and including water pipes serving the Unit extending to the meter, sewer pipes serving the Unit extending five feet from the Unit and the underground drainage system beneath the Unit.

2.3 Common Elements. The Common Elements, of the entire Condominium Property, exclusive of the Units, as shown on the plat contained in Exhibit B of this Declaration.

2.3.1 The Common Elements shall include without limitation the following:

(i) The Land upon which the buildings enclosing the Units are situated, the paved parking areas, the walkways and the remaining common areas surrounding the Units containing 1,044,133.2 square feet, more or less; all easements, rights and hereditaments appurtenant to the land described in Exhibit A and shown on the plat contained in Exhibit B.

(ii) All improvements, exclusive of the Units erected upon the Land described in Exhibit A including without limitation: (a) the roofs covering the Units, including shingles, roofing felt, sheathing and flashing; (b) the exterior bricks, fascia, sheathing and building paper on the buildings enclosing the Units; (c) the pipes, wires, conduits, pumps, motors and other equipment installed to provide utility service to the Units or to portions of the Common Elements; (d) the roads, streets, parking areas, street signs, storm draining, guttering, retaining walls, walkways, paths, trees, gardens and landscaping located upon the Land; (e) the

swimming pool, club house and other recreational facilities which may now or hereafter be located upon the Land; (f) all other elements of the Condominium Property rationally of common use or necessary to its existence, maintenance and safety.

(iii) All those certain areas as shown on Exhibit B as road, buildings, parking areas and recreational areas shall be for the use and enjoyment of all the Units developed on the entire site.

ARTICLE 3

Definitions

Certain terms when used in this Declaration and its exhibits shall have the following meanings unless the context clearly requires otherwise:

3.1 "Lakewood Commons" means the tracts of land ("Land") described in Exhibit A; the twelve buildings which are expected to be constructed upon the Land and situated as shown on the plat of the Condominium Property contained in Exhibit B; the one hundred, ninety-two Units enclosed within such buildings which are described verbally in Articles 2 and 6 of this Declaration and which are portrayed graphically on the plans contained in Exhibit B as reflected on the plat recorded in Plat Book 11 at Page 114 in the office of the Probate Court for Lee County, Alabama as aforementioned; and all fixtures situated upon or appurtenant to the Land, which are made part of Lakewood Commons by this Declaration.

3.2 "Common Expenses" means that portion of the common expenses which is to be paid by each Unit Owner in proportion to his percentage interest in Common Elements.

3.3 "Association of Unit Owners" means the entity responsible for operation and management of the Condominium Property and shall be an incorporated association composed of all Unit Owners constituting the entity referred to in the Condominium Ownership Act, (hereinafter referred to as "Association").

3.4 "By-Laws" means the rules and procedures prescribed for government of the Association which are attached to this Declaration as Exhibit D. All references to "By-Laws" shall be construed to include amendments to the By-Laws duly appointed from time to time.

3.5 "Board of Administrators" means the body of Persons selected, authorized and directed to manage and operate the Condominium Property and the affairs of the Association as provided by this Declaration and the By-Laws (hereinafter referred to as "Board").

3.6 "Common Elements" means all those portions of the Condo-

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Common property not included with the Units.

3.7 "Common Expenses" means the actual and estimated expenses of operating and managing the Condominium Property, including reasonable reserves as determined by the Board.

3.8 "Common Surplus" means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues from the Common Elements over the amount of Common Expenses.

3.9 "Condominium Property" means the Land described in Exhibit A, the buildings, Units and other improvements constructed upon the Land, real, personal or mixed, intended for use in connection with Lakewood Commons.

3.10 "Condominium Ownership Act" means the Condominium Ownership Act of the State of Alabama, Section 35-8-1, et seq., Code of Laws of Alabama (1975) as amended. All references to the "Condominium Ownership Act" shall be construed to include any amendments to the Condominium Ownership Act adopted and enacted from time to time.

3.11 "Land" means the tracts of land designated as Lakewood Commons and described by course and distance in Exhibit A.

3.12 "Plans" means the floorplans and elevations depicting the design, layout and dimensions of the Units which have been prepared and certified by an architect duly authorized and registered to practice in the State of Alabama and which are compiled and recorded in the office of the Probate Court for Lee County, Alabama in Condo Book 1 at Pages 71-103.

3.13 "Plat" means the physical survey of the completed improvements of which Lakewood Commons will be composed, prepared by T. Richard Fuller L.S. Ala. Reg. No. 7384 showing the dimensions and site locations of the buildings, the 192 Units, the parking areas, roads, walkways and other improvements in Lakewood Commons. All references to the Plat shall be construed to mean the plat entitled "Lakewood Commons", prepared by T. Richard Fuller L.S. Ala. Reg. No. 7384, dated July 20, 1984, recorded in Plat Book 11 at Page 114, in the office of the Probate Court for Lee County, Alabama, which is contained in Exhibit B of this Declaration.

3.14 "Person" means any individual, corporation, partnership, association, trustee fiduciary or other legal entity, including Lakewood Commons Association.

3.15 "Unit" as used in this Declaration means the private elements enclosed within boundaries defined in Article 2, 2.2, and intended for the exclusive ownership or possession by an owner, unless the context herein requires otherwise.

3.16 "Unit Owner" means the Person or Persons owning one or more of the Units.

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ARTICLE 4

Lakewood Commons Association of Unit Owners

4.1 Formation. Every Unit Owner shall be a member of the Association of Lakewood Commons which shall be an incorporated association known as "Lakewood Commons Association of Unit Owners". The Association shall be managed by a Board of Administrators elected by and from the Unit Owners.

4.2 By-Laws. The affairs of the Association and the administration of the Condominium Property shall be governed by the provisions of this Declaration and the By-Laws of the Association, a copy of which is attached hereto as Exhibit D. The By-Laws of the Association may be amended from time to time, but only in the manner expressly provided in the By-Laws and Article 12 of this Declaration.

4.3 Voting. On all matters relating to the Association or to the Condominium Property upon which a vote of the Unit Owners is taken, the Unit Owners shall vote in proportion to their respective interests in Common Elements as set forth in Exhibit C. Any motion shall carry if it received the affirmative vote of a simple majority of Unit Owners, unless a different majority is specified in this Declaration or in the By-Laws. A simple majority of the Unit Owners shall consist of fifty-one per cent or more of the total interest in Common Elements.

4.4 Binding Effect. All agreements, decisions and resolutions legally made by the Association in accordance with the provisions of this Declaration and the By-Laws shall be binding upon all Unit Owners.

4.5 Management Agent. The responsibility for administration of the Condominium Property may be delegated by the Association to a professional management agent. By proper resolution of the Association, such a management agent may be authorized to assume any of the functions, duties and powers assigned to the Board in the By-Laws or in this Declaration.

ARTICLE 5

Ownership and Use

5.1 Ownership of Units. Each Unit, together with its undivided interest in Common Elements, shall constitute a separate parcel of real property, and each Unit Owner shall be entitled to exclusive ownership and possession of his Unit subject to (a) the provisions of this Declaration and the easements, restrictions, covenants and encumbrances set forth herein; (b) the By-Laws of the Association as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Association or its Board pursuant to the By-Laws; and (c) the Condominium Ownership Act.

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5.2 Legal Description. Every Unit Owner shall be sufficiently described for purposes of deeds, mortgages, leases and other conveyances by referring to its designated unit number and letter and by reciting that it is part of Lakewood Commons as established by this Declaration. The conveyance of an individual Unit shall be deemed to convey the undivided interest in Common Elements appurtenant to that Unit. The ownership of an undivided interest in Common Elements appurtenant to a Unit shall be inseparable from the Unit, and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Unit.

5.3 Maintenance and Repair. Every Unit Owner shall be responsible at his own expense for maintaining, repairing and decorating all walls, ceilings, floors and repairing and decorating all walls, ceilings, floors and other elements of his Units as defined in Article 2, Section 2.2. However, no Unit Owner shall make structural modifications or alterations to his Unit nor shall any Unit Owner alter any door, window, vent, flue, terrace, deck, balcony or courtyard without obtaining the prior written approval of the Board. Written notice of any intended modification shall be given to the Board setting forth details and requesting approval. The Board shall consider the request and decide whether approval shall be granted. The Board shall advise the Unit Owner of its decision in writing within one hundred twenty (120) days from its receipt of the request. Nothing in this section shall relieve any Unit Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Unit Owner shall undertake to modify any portion of the Common Elements, save and except that Grantor reserves the right to complete the construction of the Common Elements as located on the Plat.

ARTICLE 6

Location and Description

6.1 Unit Location. The Units are enclosed in the following buildings, to-wit:

- (a) In building A, B, C, D, E, F, G, H, I, J, K and L, there are sixteen (16) individual units as follows: On the ground floor there are eight (8) one-bedroom, one-bath flat units, numbered from left to right as viewed from the entry or front side of each building, 101X, 102X, 103X, 104X, 105XR, 106XR, 107XR and 108XR. On the second and third floors, there are eight (8) two-story units numbered from left to right as above, 201Z, 202Z, 203Z, 204Z, 205ZR, 206ZR, 207ZR, and 208ZR.

6.2 Unit Description.

- A. Those unit designations ending in the letter "X" are called "X" units and contain 557.3 square feet of enclosed area, excluding the covered walkway. Entrance is gained to the unit by means of a steel entry door into a combined Living/

Dining Room that contains 193.3 square feet. The Kitchen is to the left, containing 64 square feet and contains the following appliances:

Range:	G. E. Model JBP22
Range Hood:	G. E. Model JVJ22
Refrigerator:	G. E. Model TBFH17VC
Dishwasher:	G. E. Model CSU600
Garbage Disposal Unit:	G. E. Model CFC200

Beyond the Living/Dining Room is a Hall containing 28 square feet. A Bathroom containing 48 square feet is on one side of the Hall, and a Utility Room of 28 square feet is on the other side. The Utility Room contains the following appliances:

Wash/Dryer (stackable)	Whirlpool #LT5000XM
40-Gal. Electric Water Heater:	A.O. Smith #ELJF-40
Air Conditioning Unit:	G.E. Executive #BWD712A

Beyond the Hall is the Bedroom and Closet that contain 196 square feet.

B. Those unit designations ending in "XR" are called "XR" units and contain a mirror image of the floor plan of "X" units.

C. Those unit designations ending with the letter "Z" are called "Z" units and contain 1114 square feet of enclosed area, excluding the covered walkway and balcony. Entry is gained to the unit by means of a steel entry door from the second floor covered walkway. Upon entering this unit, there is a Living Room containing 166 square feet. On the right side of this room is the stair leading to the second floor and a Closet that contains 7 square feet. Beyond the Living Room is a Hall that contains 31 square feet. To the left of the Hall is a Utility Room containing 17 square feet and a Closet containing 9 square feet. The Utility Room contains the following equipment:

40-Gal. Electric Water Heater:	A.O. Smith #ELFJ-40
Air Conditioning Unit:	G.E. Executive #BWD712A

To the right of the Hall is a Half-Bath containing 26 square feet. Beyond the Hall is the Kitchen/Dining Room and Pantry containing 255 square feet. The Kitchen contains the following appliances.

Range:	G.E. Model JBP22
Range Hood:	G.E. Model JVJ22
Dishwasher:	G.E. Model CSU600
Garbage Disposal	G.E. Model CFC200

The Pantry contains the following appliances:

- Washing Machine: G.E. Model WWA5600
- Clothes Dryer: G.E. Model DDE5300

Returning to the stair which contains 45 square feet and rising to the second floor level, ahead is a Bedroom and Closet containing 197 square feet. To the left is a Hall containing 22 square feet. At the end of this Hall is another Bedroom and Closet containing 202 square feet. This Bedroom has a French door leading to the third floor balcony which runs the entire length of the front of each building. Two Bathrooms, each containing 48 square feet for a total of 96 square feet, open off of each Bedroom. The stair and second level landing occupy 41 square feet on the second level.

D. Those unit designations ending in "2R" are called "2R" units and contain a mirror image of the floor plan of "2" units.

6.2 The Grantor reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between Units, so long as the Grantor owns the Unit so altered. Any such change shall be reflected by an amendment of this Declaration which may be executed by the Grantor alone, notwithstanding the procedures for amendment described in Article 12 herein. However, no such change shall increase the number of Units nor alter the boundaries of the Common Elements without amendment of this Declaration in the manner described in Article 12. If more than one Unit is altered the Grantor shall appropriately resportion the shares in the Common Elements which are allocated to the altered Units.

In addition, this Declaration may be amended by filing such additional plans as may be required to describe adequately the completion of improvements. Such completion may be shown by a certificate of a licensed or registered architect or engineer certifying that the improvements have been constructed substantially as herein represented, or designating any changes made. Such plans or certificate when acknowledged by the Grantor shall in themselves constitute an amendment of this Declaration notwithstanding the procedures for amendment described in Article 12.

ARTICLE 7

Common Elements: Ownership and Use

7.1 Ownership of Common Elements. Each Unit Owner shall own as an appurtenance to this Unit the undivided interest in Common Elements specified in Exhibit C. The percentage interest set out therein represents the values of each Unit in proportion to the total value of all Units in Lakewood Commons.

7.2 No Partition. So long as this Declaration has not been terminated in accordance with the provision of Article 13 and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning of Article 11, the Common Elements shall remain undivided; and no Unit Owner shall have the right to bring any action for partition or division.

7.3 Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements for their intended purposes in common with all other Unit Owners. Each Unit Owner shall have also a nonexclusive easement appurtenant to his Unit for ingress and egress over the Common Elements for access to and from his Unit, including access to a public street or highway, which shall extend to the family members, agents, servants, and guests of the Unit Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Condominium Ownership Act, this Declaration, the Covenants and Restrictions listed in Article 5, Section 1, the By-Laws of the Association, and all rules and regulations adopted by the Association pursuant to the By-Laws.

7.4 Operation and Maintenance. The maintenance, repair, replacement, management, operation, and use of the Common Elements shall be the responsibility of the Board and the expenses incurred for such purposes shall be assessed as Common Expenses. The Board may, however, delegate these duties to a management agent.

ARTICLE 8

Common Expenses

8.1 Enumeration of Expenses. Each Unit Owner shall bear in proportion to his respective interest in the Common Elements the following expenses:

- (i) Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements.
- (ii) Expenses incurred in administering the affairs of the Association including salaries, wages, and any compensation paid to a managing agent for such purpose.
- (iii) Expenses incurred in providing public liability insurance and hazard insurance adequate to cover the Condominium Property, exclusive of Unit contents and furnishings, as provided in Article 10 of this Declaration.
- (iv) Contributions to provide sufficient working capital and general reserve to operate the Condominium Property and to administer the affairs of the Association.
- (v) Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.

(vi) Any other costs related to the operation of the Condominium Property or administration of the affairs of the Association which are declared by this Declaration to be Common Expenses, and any valid charge against the Condominium Property as a whole.

8.2 Assessments. All Assessments of Common Expenses shall be fixed by the Board and made payable at such times as the Board determines, but not less frequently than quarterly.

8.3 Liability of Unit Owner. No Unit Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or by abandoning his Unit.

8.4 Lien Upon Unit. All Assessments of the Association for the share of Common Expenses chargeable to any Unit which are unpaid after becoming due shall thereupon constitute a lien against such Unit prior and superior to all other liens except (i) liens for property taxes upon the Unit in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to the time of recording of the Association's lien. The lien for such Assessments may be foreclosed by the Board acting in behalf of the Association in the same manner as a mortgage upon real property. In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit during pendency of the foreclosure action, and a receiver may be appointed to collect the rentals during such period. The board in behalf of the Association may bring suit for judgment against the Unit Owner in the amount of delinquent Assessments. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorney's fees and other costs of collection.

8.5 Sale of Unit. Upon the sale or conveyance of a Unit, all unpaid Assessments against a Unit Owner for his pro rata share of Common Expenses shall first be paid out of the sales price or by the purchaser or grantee in preference over any other Assessments, charges, or liens, except the following:

- (i) Lien for taxes and special assessments upon the Unit which are unpaid.
- (ii) Payments due under mortgages upon the Unit which are duly recorded prior to such sale or conveyance.

8.6 Foreclosure Purchaser. If the holder of a first lien of record on a Unit acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Association upon the Unit so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid Assessments occurring during such period shall be deemed Common Expenses collectible from all Unit Owners, including such purchaser, his

successors, heirs and assigns. The provisions of this section, however, shall not release any Unit Owner from personal liability for unpaid Assessments together with reasonable attorney's fees for the collection thereof.

8.7 Records. The Board, or a managing agent which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payment, shall be available for examination by the Unit Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

ARTICLE 9

Restrictions, Covenants, Easements

9.1 Covenant to Comply with Restrictions and Obligations. Each Unit Owner by acceptance of a deed to a Unit in Lakewood Commons ratifies and covenants to observe in behalf of himself, his heirs, successors, and assigns, this Declaration the By-Laws, decisions and resolutions of the Association, Board, or their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages for injunctive relief; provided that nothing contained herein shall limit the rights of Grantor as set forth in the aforesaid Declaration.

9.2 Utility Easements. Each Unit Owner shall have a nonexclusive easement appurtenant to his Unit for the use in Common with other Unit Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines; and other Common Elements serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving other Units which are located in such Unit.

Each Unit Owner further shall have an easement of support in every other Unit which contributes to the support of his Unit.

9.3 Encroachments. There shall be an easement in favor of the Association to the extent any portion of the Common Elements encroaches upon any Unit, and there shall be an easement appurtenant to any Unit to the extent any portion of the Unit encroaches upon the Common Elements or upon another Unit, whether such encroachment presently exists or occurs hereafter as a result of (i) settling or shifting of any part of the Condominium Property, (ii) repair, alteration, or reconstruction of the Common Elements made by the Association or with its consent, (iii) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Declaration remains in effect and the Condominium Property remains subject to the Condominium Ownership Act.

9.4 Right of Access. The Association shall have the right of access to each Unit during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Unit, or for making emergency repairs within the Unit necessary to prevent damage to the Common Elements or to another Unit. This easement and right of access may be exercised by the Board, by its agents and employees, or by a managing agent to whom the responsibility of maintenance has been delegated. Damages resulting to any Unit because of such maintenance or repairs shall be corrected promptly at the expense of the Association.

9.5 Public Utility Easements. The Condominium Property is subject to utility easements for installation, operation and maintenance of electric, cablevision and telephone distribution lines, and for installation, operation, and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Association.

9.6 The Condominium Property is further subject to all restrictions, covenants and easements of record.

ARTICLE 10

Insurance

10.1 Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property, exclusive only of the contents and furnishings of the individual Units.

(i) All hazard insurance policies obtained by the Board shall designate the Board as the named insured as insurance trustee for the benefit of all the Unit Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Declaration.

(ii) All hazard insurance policies obtained by the Board shall provide for the issuances of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the

issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

(iii) If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employees and against the individual Unit Owners and their servants, agents and guests and (ii) any of rights of the insurer to contribution from hazard insurance purchased by the Unit Owners upon the contents and furnishings of their Villas.

10.2 Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

10.3 Workmen's Compensation Insurance. The Board shall obtain Workmen's Compensation Insurance to meet the requirements of law.

10.4 Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

10.5 Insurance by Unit Owner. Each Unit Owner shall be responsible for obtaining at his sole expense insurance covering the personal property, decorations, and furnishings within his own Unit, and the additions and improvements made by him to the Unit. Each Unit Owner shall also be responsible for obtaining at his own expense insurance covering his liability for the safety of the premise within his Unit. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation to claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guests, and (ii) any right of the insurer to contribution or proration because of the master hazard policy.

10.6 Substitution of Insurance Trustee. The Board in its discretion may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Lee County, Alabama. Any substitute insurance trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as insurance trustee under the terms of this Declaration.

ARTICLE II

Reconstruction and Repair

11.1 Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, unless the Unit Owners unanimously agree to reconstruction, the insurance indemnity received by the Board shall be distributed prorata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed prorata among all Unit Owners and their mortgagees jointly in proportion to their respective interest in Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, the Condominium Property shall be reconstructed or repaired in the following manner:

- (i) Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Unit Owners holding seventy-five percent (75%) or more of the total interest in Common Elements vote to adopt different plans and specifications and all Unit Owners, whose Units are affected by the alterations, unanimously consent.
- (ii) The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for bonds as the Board deems necessary.
- (iii) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose units are directly affected by the damage in proportion to the damage done to their respective Units.
- (iv) The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of

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reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association.

11.2 Insurance Trust. In the event of casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as insurance trustee. The Board, acting as insurance trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following shares:

- (i) Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interest in the Common Elements which are appurtenant to each of the Units.
- (ii) Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the Unit Owners of the damaged Units in proportion to the costs of repairing each damaged Unit.
- (iii) Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Owners, the share of each being equal to the undivided share in Common Elements appurtenant to his Unit.
- (iv) In the event a Certificate of Insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Unit Owners and their respective mortgagees pursuant to the provisions of this Declaration.

11.3 Adjustment. Each Unit Owner shall be deemed to have delegated to the Association his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights mortgagees of such Unit Owners.

ARTICLE 12

Amendments

12.1 By Unit Owners. The Declaration and the By-Laws of the Association may be amended from time to time at a duly held meeting of the Association by the affirmative vote of the Unit Owners holding two-thirds (2/3) or more of the total interest in Common Elements; provided, however, that no amendment shall alter the dimensions of a Unit or its appurtenant interest in Common Elements without the written consent of the Unit Owner affected by the proposed alteration and the written consent of record of any liens on the Unit. Duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Association.

ARTICLE 13

Termination

13.1 Casualty or Condemnation. If two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Declaration and the Condominium Ownership Act in accordance with Article 11 or Article 12, as the case may be.

13.2 Voluntary Termination. Lakewood Commons as a condominium may also be terminated, removing the Condominium Property from the provision of this Declaration and the Condominium Ownership Act, if the record owners of title to the Units and the record owners of mortgages upon the Units agree in written instrument to termination unanimously or in such percentage as may then be required for termination by the Condominium Ownership Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and mortgagees.

13.3 Ownership After Termination. After termination of Lakewood Commons as a condominium, the Unit Owners shall own the Condominium Property as tenants in common in undivided shares, and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interest of the Unit Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the former Unit Owners and tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

13.4 Partition. After termination, the Condominium Property shall be subject to an action for partition by any Unit Owner or any lienor in which event the net proceeds from the judicial sale shall be divided

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SECRETARY
600. NORTH CAROLINA

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among all Unit Owners in proportion to their respective interest in Common Elements and paid to each Unit Owner and mortgagee.

ARTICLE 14

Miscellaneous Provisions

14.1 Conflicts. This Declaration is made and declared in compliance with the Condominium Ownership Act. In the event of any omission or of any conflict between this Declaration and the provisions of the Condominium Ownership Act, the provisions of the statute shall control.

14.2 Applicable Law. The provision of this Declaration shall be construed under the laws of the State of Alabama.

14.3 Invalidity. The invalidity of any provisions of this Declaration shall not impair the validity, enforceability or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

14.4 Gender and Number. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

14.5 Exhibits. All exhibits to this Declaration shall be an integral part of this instrument.

14.6 Captions. Captions are inserted in this Declaration for convenience only, and are not to be used to interpret the provisions of this instrument.

WITNESS our Hands and Seal this Jrd day of August, in the year of our Lord one thousand nine hundred eighty-four and in the two hundred ninth year of the Sovereignty and Independence of the United States of America.

Signed, sealed and delivered in the presence of:

Wanda Sarter
William P. Mann

LAKWOOD COMMONS CORPORATION

BY: [Signature]
HAROLD D. JACKSON, JR.,
PRESIDENT

ATTEST: [Signature]
W. F. BAKER, SECRETARY

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OFFICE
ONE A SPRUILL
MARKET STREET
ANN, NORTH CAROLINA

Oct-11-09 11:08P

STATE OF SOUTH CAROLINA)

COUNTY OF CHESTERFIELD)

I, the undersigned authority, a Notary Public in and for the State at Large, hereby certify that Harold D. Jackson, Jr., and W. F. Baker, whose names as President and Secretary, respectively, of Lakewood Commons Corporation, a corporation duly organized and existing under the laws of the State of Alabama, are signed to the foregoing conveyance, and who are known to me, acknowledged before me this day 1st, being informed of the contents of the foregoing conveyance, as such officers and with full authority, they voluntarily executed the same for and in the act of said corporation.

Given under my hand and official Seal of office on this the 3rd day of August, 1984.

William P. Briggs
Notary Public for South Carolina
My Commission Expires: 10-25-88

LAW OFFICES
MRS A BRUILL
COLUMBIAN AVENUE
COLUMBIA, SOUTH CAROLINA

0019

EXHIBIT A

DECLARATION OF

LAKWOOD COMMONS, A CONDOMINIUM

(DESCRIPTION OF LAND)

Lots 6 and 7 Pace Subdivision, Second Addition, First Revision, recorded in Plat Book 11, Page 94, in the Office of the Probate Judge of Lee County, Alabama, and more fully described to wit: Begin at the Northeast Corner of Section 1, Township 18 North, Range 25 East, Auburn, Lee County, Alabama, and run thence South 31 degrees 45 minutes West, 2236.2 feet; thence South 12 degrees 44 minutes West, 695.0 feet to an iron pin located on the Northwesterly margin of East University Drive; thence continue South 12 degrees 44 minutes West, 91.9 feet to an iron pin located on the Southeasterly margin of East University Drive; thence North 71 degrees 44 minutes 53 seconds East, 97.68 feet to an iron pin located on the southeasterly margin of East University Drive for a corner and starting point of the property herein to be described: FROM THIS STARTING POINT, thence in a northeasterly direction along the curve of the southeasterly margin of East University Drive said portion of the curve having a radius of 902.57 feet, a length of 77.16 feet, a chord bearing of North 66 degrees 7 minutes 26 seconds East, and a chord distance of 77.14 feet to an iron pin; thence continue along said curve of the southeasterly margin of East University Drive for a distance of 256.62 feet, said portion of this curve having a chord bearing of North 55 degrees 31 minutes 43 seconds East and a chord distance of 255.76 feet to an iron pin (PT14+19.0) for a corner; thence North 47 degrees 23 minutes 00 seconds East along the southeasterly margin of East University Drive for a distance of 327.0 feet to an iron pin (PC17+46.0) for a corner; thence in a northeasterly direction along a curve to the right of the southeasterly margin of East University Drive, said curve having a radius of 2793.25 feet, a length of 200.0 feet, a chord bearing of North 49 degrees 26 minutes 04 seconds East, and a chord distance of 199.96 feet to an iron pin for a corner; thence continue in a northeasterly direction along the curve to the right of the southeasterly margin of East University Drive, said curve having a radius of 2793.25 feet, a length of 167.1 feet, a chord bearing of North 53 degrees 12 minutes 00 seconds East, and a chord distance of 167.07 feet to an iron pin for a corner; thence continue along said curve of the southeasterly margin of East University Drive, said curve having a radius of 2793.25 feet, a length of 220.0 feet, a chord bearing of North 57 degrees 10 minutes 10 seconds East, and a chord distance of 219.95 feet to an iron pin for a corner; thence South 35 degrees 27 minutes 52 seconds East, 453.24 feet to an iron pin for a corner; thence South 14 degrees 48 minutes 50

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EXHIBIT A (CONTINUED)

seconds West, 844.9 feet to an iron pin for a corner; thence South 87 degrees 59 minutes 05 seconds West, 630.0 feet to an iron pin for a corner; thence South 70 degrees 43 minutes 53 seconds West 372.29 feet to an iron pin for a corner; thence North 37 degrees 00 minutes 00 seconds West, 325.59 feet to a point located in the centerline of a branch for a corner; thence North 24 degrees 45 minutes 37 seconds East, 40.33 feet to an iron pin for a corner; thence North 66 degrees 59 minutes 55 seconds East, 47.25 feet to an iron pin for a corner; thence North 31 degrees 59 minutes 34 seconds East, 87.66 feet to an iron pin for a corner; thence North 12 degrees 45 minutes 40 seconds East, 71.36 feet to an iron pin for a corner; thence North 33 degrees 42 minutes 46 seconds East, 70.02 feet to an iron pin for a corner; thence North 19 degrees 39 minutes 20 seconds West, 70.88 feet to the starting point.

The above described property is located in Section 1, Township 18 North, Range 25 East, Auburn, Lee County, Alabama, and contains 23.97 acres, more or less.

This is the same property conveyed to Lakewood Commons Corporation by Deeds of Pace Brothers, Inc. dated November 15, 1983, and recorded in Deed Book 1162 at Page 93; dated January 24, 1984, and recorded in Deed Book 1166 at Page 85; dated April 3, 1984, and recorded in Deed Book 1170 at Page 510; and dated July 26, 1984, and recorded in Deed Book 1180 at Page 441, all in the aforesaid office.

OFFICE
OF THE
CLERK OF THE
SUPERIOR COURT
STATE OF NORTH CAROLINA

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EXHIBIT B

DECLARATION

OF

LAKWOOD COMMONS, A CONDOMINIUM

Plat entitled "Lakewood Commons" of condominium property showing buildings and Common Elements, prepared by T. Richard Fuller L.S. Ala. Reg. No. 7384, dated July 20, 1984, and recorded in Plat Book 11 at Page 114, in the office of the Probate Court for Lee County, Alabama.

See also attached certificate of James H. Johnston, Registered Architect, No. 781.

OFFICE
THOMAS A. BRUILL
11 MARKET STREET
COLUMBIA, SOUTH CAROLINA

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This is to certify that the improvements as shown on the plat entitled "Lakewood Commons" of condominium property showing buildings and Common Elements, prepared by T. Richard Fuller, L.S. Ala. Reg. No. 7384, dated July 20, 1984, have been constructed according to plans prepared by me and recorded in Condo Book 1, Pages 71 thru 103, in the office of the Probate Court for Lee County, Alabama.

James H. Johnston
James H. Johnston, Architect
Alabama Registration No. 781

August 1, 1984

Sworn to and subscribed before me on this the 1st day of August, 1984.

Robert L. Hammer
Notary Public
This Commission Expires 12-15-84.

00195

EXHIBIT C

DECLARATION OF

LAKWOOD COMMONS, A CONDOMINIUM

PERCENTAGE OWNERSHIP OF COMMON ELEMENTS

<u>UNIT #</u>	<u>PERCENTAGE OF INTEREST</u>
A-101	0.37698
A-102	0.37698
A-103	0.37698
A-104	0.37698
A-105	0.37698
A-106	0.37698
A-107	0.37698
A-108	0.37698
A-201	0.66468
A-202	0.66468
A-203	0.66468
A-204	0.66468
A-205	0.66468
A-206	0.66468
A-207	0.66468
A-208	0.66468
B-101	0.37698
B-102	0.37698
B-103	0.37698
B-104	0.37698
B-105	0.37698
B-106	0.37698
B-107	0.37698
B-108	0.37698
B-201	0.66468
B-202	0.66468
B-203	0.66468
B-204	0.66468
B-205	0.66468
B-206	0.66468
B-207	0.66468
B-208	0.66468
C-101	0.37698
C-102	0.37698
C-103	0.37698
C-104	0.37698
C-105	0.37698
C-106	0.37698
C-107	0.37698
C-108	0.37698

SEVEN
A SPRUILL
SUNSHINE DRIVE
NEW YORK, N.Y. 10017

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C-201	0.66468
C-202	0.66468
C-203	0.66468
C-204	0.66468
C-205	0.66468
C-206	0.66468
C-207	0.66468
C-208	0.66468
D-101	0.37698
D-102	0.37698
D-103	0.37698
D-104	0.37698
D-105	0.37698
D-106	0.37698
D-107	0.37698
D-108	0.37698
D-201	0.66468
D-202	0.66468
D-203	0.66468
D-204	0.66468
D-205	0.66468
D-206	0.66468
D-207	0.66468
D-208	0.66500
E-101	0.37698
E-102	0.37698
E-103	0.37698
E-104	0.37698
E-105	0.37698
E-106	0.37698
E-107	0.37698
E-108	0.37698
E-201	0.66468
E-202	0.66468
E-203	0.66468
E-204	0.66468
E-205	0.66468
E-206	0.66468
E-207	0.66468
E-208	0.66468
F-101	0.37698
F-102	0.37698
F-103	0.37698
F-104	0.37698
F-105	0.37698
F-106	0.37698
F-107	0.37698
F-108	0.37698

LAW OFFICES
 THOMAS A. SPRUILL
 215 NORTH WYOMING
 RAS, SOUTH CAROLINA

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EXHIBIT C (CONTINUED)

F-201	U.66468
F-202	U.66468
F-203	U.66468
F-204	U.66468
F-205	U.66468
F-206	U.66468
F-207	U.66468
F-208	U.66468
G-101	O.37698
G-102	U.37698
G-103	O.37698
G-104	O.37698
G-105	U.37698
G-106	O.37698
G-107	U.37698
G-108	U.37698
G-201	O.66468
G-202	U.66468
G-203	U.66468
G-204	U.66468
G-205	O.66468
G-206	O.66468
G-207	O.66468
G-208	O.66468
H-101	O.37698
H-102	O.37698
H-103	O.37698
H-104	O.37698
H-105	O.37698
H-106	O.37698
H-107	U.37698
H-108	O.37698
H-201	O.66468
H-202	O.66468
H-203	U.66468
H-204	O.66468
H-205	O.66468
H-206	U.66468
H-207	U.66468
H-208	U.66468
I-101	O.37698
I-102	O.37698
I-103	O.37698
I-104	O.37698
I-105	O.37698
I-106	O.37698
I-107	U.37698
I-108	U.37698

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EXHIBIT C (CONTINUED)

I-201 0.66468
 I-202 0.66468
 I-203 0.66468
 I-204 0.66468
 I-205 0.66468
 I-206 0.66468
 I-207 0.66468
 I-208 0.66468

J-101 0.37698
 J-102 0.37698
 J-103 0.37698
 J-104 0.37698
 J-105 0.37698
 J-106 0.37698
 J-107 0.37698
 J-108 0.37698

J-201 0.66468
 J-202 0.66468
 J-203 0.66468
 J-204 0.66468
 J-205 0.66468
 J-206 0.66468
 J-207 0.66468
 J-208 0.66468

K-101 0.37698
 K-102 0.37698
 K-103 0.37698
 K-104 0.37698
 K-105 0.37698
 K-106 0.37698
 K-107 0.37698
 K-108 0.37698

K-201 0.66468
 K-202 0.66468
 K-203 0.66468
 K-204 0.66468
 K-205 0.66468
 K-206 0.66468
 K-207 0.66468
 K-208 0.66500

L-101 0.37698
 L-102 0.37698
 L-103 0.37698
 L-104 0.37698
 L-105 0.37698
 L-106 0.37698
 L-107 0.37698
 L-108 0.37698

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 NEW, NORTH CAROLINA

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EXHIBIT C (CONTINUED)

L-201	0.66468
L-202	0.66468
L-203	0.66468
L-204	0.66468
L-205	0.66468
L-206	0.66468
L-207	0.66468
L-208	<u>0.66468</u>

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A. H. HULL
1000 OFFICE
NEW, SOUTH CAROLINA

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BY-LAWS OF LAKEWOOD COMMONS, A CONDOMINIUM

AUBURN, ALABAMA

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. CONDOMINIUM PROPERTY. The property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located in Auburn, Lee County, Alabama, known as LAKEWOOD COMMONS, A CONDOMINIUM, has been, by Declaration submitted to the provisions of the Condominium Ownership Act of Alabama, which said properties shall henceforth be known as LAKEWOOD COMMONS, A CONDOMINIUM (hereinafter referred to as "Lakewood Commons").

Section 2. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and Lakewood Commons.

Section 3. PERSONAL APPLICATION. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the property in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration establishing Lakewood Commons as they may be amended from time to time. The mere acquisition or rental or any of the flats or suites (hereinafter usually referred to as "Units") as defined in the Declaration of the Property or the mere act of occupancy of any of said Units will signify that these By-Laws, the provisions of the Declaration, and any authorized amendments to the foregoing Declaration are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage of the Common Elements assigned to his Unit or Units in the Declaration, Exhibit C.

Section 2. MAJORITY OF OWNERS. As used in these By-Laws, the term "majority of owners" shall mean those owners holding fifty-one (51) percent or more of the total value of the Property, in accordance with the percentages assigned in Exhibit C of the Declaration and any authorized amendments thereto.

BY OFFICER
GERRIE A. BRUNNILL
OF HANCOCK COUNTY
STATE OF SOUTH CAROLINA

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Section 3. QUORUM. Except as otherwise provide in Section 6 elsewhere in these By-Laws, the presence in person or by proxy of a majority of owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of a meeting.

Section 5. MAJORITY VOTE. The vote of a majority of the Unit owners present at a meeting at which a quorum shall be present shall be binding upon all Unit owners for all purposes except where in the Declaration or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III

ASSOCIATION OF UNIT OWNERS

Section 1. ASSOCIATION RESPONSIBILITIES. The owners of the Property shall constitute the Association of Unit Owners (hereinafter usually referred to as "Association") which will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for provisions relating to the duties, obligations, removal and compensation of the management agent. Except otherwise provided, decisions and resolutions of the Association shall require approval by a majority of the owners.

Section 2. PLACE OF MEETING. Meetings of the Association shall be held at such place, convenient to the owners, as may be designated by the Association.

Section 3. ANNUAL MEETINGS. The annual meeting of the Association shall be held at the call of the President once a year during the month of October or at such other time as a majority of the owners agree upon. At such meetings there shall be elected by ballot of the owners a Board of Administration in accordance with the requirements of Section 1 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the Secretary to call a special meeting of the owners as directed by resolution of the Board of Administrators or upon a petition signed by a majority of the owners and having been presented to the Secretary. A notice of a special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting of the Association except as stated in the notice except by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

Section 5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Association to each owner of record, stating the purpose thereof as well as the time and place where to be held, to each owner of record, at least fifteen (15), but not more than thirty (30) days before the meeting.

LAW OFFICES
JOHN A. BRUILL
CHARLOTTE, NORTH CAROLINA
NEW, NORTH CAROLINA

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than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. ADJOURNED MEETING. If any meeting of the Association cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not later than forty-eight (48) hours from the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if the owners holding at least twenty-five (25) percent of the total value of the Property in accordance with the percentages assigned in the Declaration are present at said reconvened meeting.

Section 7. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Administrators.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Association shall include items (a) through (d) above, and thereafter the agenda shall consist of the items specified in the notice of meeting.

ARTICLE IV

BOARD OF ADMINISTRATORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board Of Administrators (hereinafter referred to as the "Board") composed of five (5) persons. Until succeeded by the Board Members elected by the Unit Owners, Board of Administrators Members need not be Unit Owners. So long as the Grantor (as defined in the Declaration) owns one or more Units, the Grantor shall be entitled to elect at least one member of the Board of Administrators, who need not be an Unit Owner. After Grantor has conveyed all Units and is no longer entitled to elect one member of the Board of Administrators, all Board Members shall be Unit Owners.

Section 2. GENERAL POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Association or individual owners.

Section 3. OTHER DUTIES. In addition to duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Declaration and any amendments thereto and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the Common Elements.
- (c) Employment, dismissal and control of the Personnel necessary for the maintenance and operation of the Common Elements.
- (d) Collection of Common Expenses from the owners.
- (e) Performing repairs caused by any natural disaster or man-made damage from the reserve account and any special assessment, or causing the same to be done.
- (f) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Declaration, or causing the same to be done.
- (g) Grant or relocate easements which are not inconsistent with the owners' full use and enjoyment of the Common Elements.
- (h) Making of repairs, additions and improvements to or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws; provided, however, that the Board of Administrators shall not undertake any repair covered by warranty without the consent of a majority of the Unit Owners.

Section 4. MANAGEMENT AGENT. The initial management agent shall be selected by the Grantor, whose contract shall not exceed a period of one (1) year from the establishment of Lakewood Commons, A Condominium. Thereafter, the Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. FIRST BOARD OF ADMINISTRATORS. The first Board of Administrators consisting of five (5) members shall be designated by the Grantor. These appointments will be temporary and will continue only until the first annual meeting of the Unit Owners held pursuant to the provisions of these By-Laws. At the first Annual Meeting of the Association, the initial term of office for two (2) members of the Board shall be fixed at three (3) years. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of one (1) member of the Board shall be fixed at one year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. during the period in which the Grantor's designees constitute a majority of

OFFICE
 J. A. BRUILL
 10 MARKET STREET
 NEW BURGESS CAROLINA

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Board of Administrators, the Board of Administrators shall not enter into any contract having a term which extends beyond the term of the Management Agreement.

Section 6. VACANCIES. Vacancies in the Board of Administrators caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of a majority of the remaining members, even though they constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

Section 7. REMOVAL OF MEMBER OF THE BOARD. At any regular or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if, during the term of office, he shall cease to be an Unit owner (except as provided in Section 5 regarding Grantor's appointee).

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board Member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. Special meeting of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two (2) Board members.

Section 11. WAIVER OF NOTICE. Before or at any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. BOARD QUORUM. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction

IN WITNESS
THOMAS A. RYAN
BY SECRETARY
NEW CAROLINA

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of business, and acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time to time. At a such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. FIDELITY BONDS. The Board may require that any and all officers and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 14. COMPENSATION. No member of the Board of Administrators shall receive any compensation from the Association for acting as such.

Section 15. LIABILITY OF THE BOARD OF ADMINISTRATORS. The members of the Board of Administrators shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Administrators against all contractual liability to others arising out of contracts made by the Board of Administrators on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Administrators, who are members of or employed by Lakewood Commons Corporation and affiliated corporations to contract with Lakewood Commons Corporation without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the Board of Administrators shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Every agreement made by the Board of Administrators or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Administrators, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit owners in the Common Elements.

ARTICLE V

OFFICERS

Section 1. DESIGNATION. The principal officers of the Association shall be a President, a Vice President, and a Secretary-Treasurer, all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary.

LOW OFFICERS
JOHN A. BRUNNILL
J. MARSHY BRYANT
LAW, SOUTH CAROLINA

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Section 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Unit Owner.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all Association meetings and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. SECRETARY-TREASURER. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

ARTICLE VI

NOTICES

Section 1. DEFINITION. Whenever under the provision of the Declaration or of these By-Laws notice is required to be given to the Board of Administrators, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Administrators, such manager or such Unit Owner at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing.

Section 2. SERVICE OF NOTICE-WAIVER. Whenever any notice is required to be given under the provisions of the Declaration or law, or of the By-Laws; a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association common expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The common expense may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expense for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Unit owners with a copy of the proposed budget for the next calendar year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Grantor will be liable for the amount of any assessment against completed Units within Lakewood Commons which have not been sold and Grantor shall have all voting rights attendant to the ownership of said Unit until said units are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate.

The transfer of ownership of an individual Unit within Lakewood Commons shall carry with it the proportionate equity of that Unit's ownership in the Association Escrow account set aside to provide a contingency fund for the maintenance and repair of the Common Elements.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS ARE MADE. The omission by the Board of Administrators before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration and By-Laws or a release of any owner from the obligation to pay the assessments, or an installment thereof, for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the owners and their mortgagees. No owner may exempt himself from liability for his contribution towards the common expense by waiver of the use or enjoyment of any of the general limited Common Elements or by abandonment of this Unit.

Section 3. RECORDS. The Manager or Board of Administrators shall keep detailed records of the receipts and expenditures affecting the general

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MRS. A BRUNN
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RAV. NORTH CAROLINA

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limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON EXPENSES. The Board of Administrators shall take prompt action to collect any common expenses due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying to the Board of Administrators the common charges as determined by the Board of Administrators, such Unit Owner shall be obligated to pay interest at the lawful rate on such unpaid common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Administrators in any proceeding brought to collect such unpaid common expenses. The Board of Administrators shall have the right and duty to attempt to recover such common expenses, together with interest thereon and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 35-8-17, Code of Laws of Alabama, 19 , as amended.

Section 5. STATEMENT OF COMMON EXPENSES. The Board of Administrators shall, for a reasonable fee to be set by the Board, promptly provide any purchaser, unit owners, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of any unpaid common expenses due from the owner of that Unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a condominium Unit must pay any unpaid common expenses payable with respect to such condominium Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance. Any encumbrancer holding mortgages on more than five (5) Units within Lakewood Commons shall be entitled, upon request, to receive a statement of account on the units securing all of said mortgages once each calendar year without any fee or charge.

Section 6. MAINTENANCE AND REPAIR.

(a) Each owner must perform work within his own Unit, which, if omitted, would affect the Property in its entirety or in a part belonging to another owner, being expressly responsible for the damages and liabilities that his failure to do so may engineer.

(b) All the repairs of internal installations of the Units such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories long to the Unit shall be at the expense of the owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Declaration, the painting and decorating of the exterior doors and exterior window sash and the washing of the exterior glass shall be made by the Board of Administrators or its agent and shall be charged to all the Unit Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of

the Unit Owner, in which such case the expense shall be charged to such Unit Owner.

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all Units and the Common Elements through one or more meters and the Board of Administrators shall, if the owners so elect, pay as a common expense all charges for water consumed on the Property, including the Unit promptly after the bills for the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and shall likewise, if practicable, be paid by the Board of Administrators as common expense.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board of Administrators shall pay all bills for electricity consumed in such portions of the Common Elements, as a common expense.

Section 9. USE OF APARTMENTS, INTERNAL OR EXTERNAL CHANGES.

(a) All Units shall be utilized for residential purposes only. This shall expressly include the right of the owner to rent such Units to others for residential purposes. Moreover, so long as any units remain unsold by Grantor or its agent shall be authorized to maintain a model within Lakewood Commons purposes of promoting the sale of Units and Grants shall have the right to use one Unit (either owned by Grantor or otherwise for a manager's office.

(b) An owner shall not make structural modifications or alterations in his Unit or installations located therein without previous notifying the Association in writing, through the Management Agent, if any or through the President if no Management Agent is employed. The Association shall have the obligation to answer within thirty (30) days from the actual receipt of such notice and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) An owner shall make no changes whatsoever to the exterior of the Unit, any steps, decks, patio or balconies appurtenant thereto, or to any of the limited or general Common Elements without approval of two-thirds (2/3) of the owners of said Association. Provided, however, that the Board of Administrators shall be authorized to approve minor additions to landscaping and other exterior minor changes or additions of this nature which in their sole discretion will not interfere or conflict with the overall scheme and appearance of the common areas.

Section 10. USE OF COMMON ELEMENTS. Except as authorized by Section 9(c), a owner shall not place or cause to be placed in the passageway, parking areas, roads, or other common areas any furniture packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

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THOMAS A. BRUILL
15 MARKET STREET
RTE. 1, SOUTH CAROLINA

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Section 11. RIGHT OF ENTRY.

(a) An owner shall grant the right of entry to the Management Agent or to any person authorized by the Board in case of any emergency originating in or threatening his Unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, the right of entry shall be immediate.

Section 12. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Units and Common Elements of Lakewood Commons, the owners may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the Common Elements constitutes two-thirds (2/3) of the total interest, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons of said Property of Lakewood Commons as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each owner by posting same with postage prepaid addressed to the owner at the last registered address of the owner and shall be binding upon all Unit owners and the occupants of Units in Lakewood Commons. The following shall constitute the initial Rules of Conduct for Lakewood Commons:

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

(b) No residents of the Property shall:

(1) Post any advertisements or posters of any kind in or on the Property except as authorized by the Board;

(2) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the Property;

(3) Dust mats, rugs or similar objects from the windows or balconies or clean rugs or similar objects by beating on the exterior part of the Property;

(4) Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;

(5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Units in the Property;

(6) Maintain any pets which cause distress to owner through barking, biting, scratching or damaging of property.

(c) No owner, resident, or tenant shall install wiring for electrical or telephone installations, television or radio antennae, air conditioning units, or similar objects outside of his Unit or which protrudes through the walls or the roof of his Unit except as authorized by the Board.

Section 13. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Declaration shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition that may exist therein contrary to the interest and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorney's fees, and until such expense is recovered it shall be a lien upon said Unit which lien shall be inferior to the lien of all prior mortgages.

ARTICLE VIII

AMENDMENTS

Section 1. BY-LAWS. These By-Laws may be amended by the Association in a duly constituted meeting held for such purpose, or in a properly conducted referendum by use of the mails which include proper notice to all owners, and no amendment shall take effect unless approved by owners representing at least two-thirds (2/3) of the total value of the Property as shown on the Declaration except as provided in the Declaration for an amendment or amendments to admit further phases to Lakewood Commons if appropriate. So long as the Grantor remains the owner of any Unit in Lakewood Commons, these By-Laws may not be amended so as to adversely affect the Grantor without the Grantor's consent.

ARTICLE IX

MORTGAGES

Section 1. NOTICE TO BOARD. An owner who mortgages his Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Units".

OFFICE
18 BRUILL
LEWIS STACY
100. SOUTH CAROLINA

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Section 2. NOTICE TO MORTGAGEE. The board shall give thirty (30) days written notice of the following events to all mortgagees of which it has notice:

- (a) Any change in the condominium documents;
- (b) Any unpaid assessments due the Association from the owner(A) mortgagor(s) of the Unit.
- (c) Any default by the owner (mortgagor) of a Unit in the performance of such owner's obligations under the condominium documents when such default is not cured within thirty (30) days.
- (d) Any notice of special or annual meetings of the Association.

Section 3. STATEMENTS TO MORTGAGEE. Upon request of any mortgagee listed in the book entitled "Mortgages on Units", the Board, Manager or Management Agent shall supply such mortgagee with a reasonably current financial statement of the Association.

ARTICLE X

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

ARTICLE XI

COMPLIANCE

The By-Laws are intended to comply with the requirements of the Condominium Ownership Act of Alabama. In case any of these By-Laws conflict with the provisions of the said Statute, it is hereby agreed that the provisions of the Statute will control.

STATE OF ALABAMA, }
LEE COUNTY

OFFICE OF PROBATE JUDGE

I hereby certify that this instrument was filed in my office to record on the 16th day of August 1981, at 11:16 a.m. and was duly recorded on the 8th day of August 1981 in CC # 173 and that the following tax has been paid thereon:

Mortgage Tax \$ _____
Deed Tax \$ _____

H. H. Smith
Judge of Probate

33118

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LAW OFFICES
INNA A BRUNN
COURT STREET
SAN. SOUTH CAROLINA

RESOLUTION

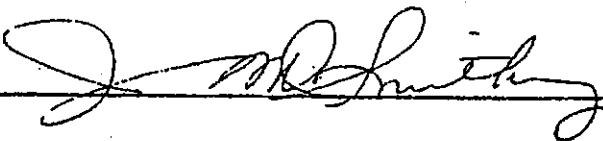
NOTWITHSTANDING any other provisions of the Declaration of Condominium, the By-Laws of the Lakewood Commons Homeowners Association, by vote of Board of Directors at a duly called meeting held on June 29, 1991, it hereby resolved:

THAT in order to clear up any misunderstandings or mis-interpretations the already existing policies of the Association, and to further clarify the responsibility of each unit owner and of the Association with regard to damage caused by any action, be it natural or caused by man, interior walls of any condominium unit, that the following guidelines shall be in effect:

1. Each unit owner shall be responsible for the cost of replacing damaged sheetrock that forms a common dividing wall, ceiling, interior wall of his own unit, including all finishings and covering wallpapers, etc.
2. It shall be the responsibility of each unit owner to arrange, desired, for his own insurance coverage for the contents, including walls, floors, ceilings, and appliances, located inside his own unit

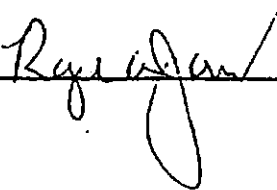
This Resolution shall be recorded in the Courthouse in Lee County Alabama, and shall be mailed within 30 days to all unit owners of record

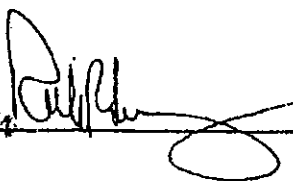
Done, this 29th day of June, 1991.


_____ Board Member


_____ Board Member


_____ Board Member


_____ Board Member


_____ Notary Public
Commission EXPIRES 10-28-94

LATE PAYMENT POLICY

EFFECTIVE SEPTEMBER 1, 2001

LAKWOOD COMMONS CONDO OWNERS ASSOCIATION

1. 2 Months Delinquent - \$25 Late Charge
2. Each Month Thereafter - \$25 Per Month Late Charge
3. 6 Months Delinquent - Small Claims action against Unit Owner
 - Negative Credit Reporting
 - Lien filed against Unit (3 mos.)

Reminder: Your dues include payment for water and sewer usage for Unit.
If your dues are not current, the water to your unit is subject to being cut off.