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**DECLARATION OF CONDOMINIUM OF
LEGACY CONDOMINIUMS AT GULFPORT**

DECLARATION OF CONDOMINIUM OF LEGACY
CONDOMINIUMS AT GULFPORT

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EXHIBIT "A "
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EXHIBIT "B-1"
 Site,Plot and Floor Plans - Phase I

EXHIBIT "B-2"
 Site, Plot and Floor Plans - Phase II

EXHIBIT "C"
 Proposed Certificate

EXHIBIT "D"
 HOA - Articles of Incorporation

EXHIBIT "E"
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EXHIBIT "F"
 HOA - Rules and Regulations

EXHIBIT "G"
 Shares of Common Elements and Liabilities

**DECLARATION OF CONDOMINIUM OF
LEGACY CONDOMINIUMS AT GULFPORT**

THIS DECLARATION , made this day of , , by Gulf Condos, L.L.C., a Mississippi limited liability company, herein called the "DEVELOPER," and by Legacy Condominiums, L.L.C., a Mississippi limited liability company, as Owner of the property on which the Development is constructed for themselves, their successors, grantees and assigns.

RECITALS

1. The Developer is the fee simple Owner of that certain parcel of Real Property situated in the First Judicial District, Harrison County, State of Mississippi, hereinafter more particularly described, and has improved said Real Property in the manner set out herein.

2. The Developer proposes to establish a Condominium pursuant to the provisions of the Mississippi Condominium Law, Section 89-9-1 et seq. The Condominiums shall be known as Legacy Condominiums at Gulfport.

3. The Developer proposes to develop the Condominium in one (1) or more phases, but reserves the right and option, in its sole discretion, to complete only such phases which market, or other relevant conditions, may dictate.

Phase I consists of one (1) building containing a total of one hundred and three (103) Units, together with access, parking, pool, club room, game room, meeting room, exercise room, and appurtenant facilities herein described. Phase II will consist of one hundred twenty-one (121) Units, together with access, parking, pool, spa, cafe, theater and appurtenant facilities herein described, and up to three (3) commercial units .

5. The Developer may improve that part of the Real Property which is in excess of the property made a part of Phases I and II and which is described herein by constructing thereon one (1) or more additional Condominium Units, which said lands and improvements may be submitted to the Condominium form of ownership and use, by amendment or amendments to this Declaration, an additional phase or phases.

It is the intent of the Developer that should all or a portion of the property described herein be submitted to the terms of this Declaration by amendment or amendments hereto, as hereinafter provided, such property shall be operated and administered as a Condominium property in the same manner as Phases I and II.

6. Phases I and II of the Condominium will be created by the recording of this Declaration, which may be amended by the Developer as herein provided without requiring the approval or consent of any of the Unit Owners. Any subsequent phase or phases will have the benefit of the Common Elements created and established for Phases I and II, and the Unit Owners in Phases I and II will have the benefit of the Common Elements created and established for any subsequent phase or phases.

NOW, THEREFORE, the Developer, hereby makes the following Declaration.

I. DEFINITIONS

The terms used in this Declaration and in the By-Laws shall have the meanings stated in the Mississippi Condominium Law, §89-9-1 et seq., MCA, and as follows, unless the context otherwise requires:

- 1.1. "ACT" means the Mississippi Condominium Law, §89-9-1 et seq., MCA.
- 1.2. "ARTICLES" means the Articles of Incorporation of the Association, recorded in the Office of the Secretary of State, Jackson, Mississippi.
- 1.3. "ASSESSMENT" means proportionate share of the funds required for the payment of the Common Elements which from time to time may be levied against each Unit Owner.
- 1.4. "ASSIGNED PARKING" means a vehicle parking space, the exclusive use of which has been assigned to a Unit Owner.
- 1.5. "ASSOCIATION" means Legacy Condominiums at Gulfport Owners Association, Inc., a Mississippi not for profit corporation, and its successors, and is the corporation organized under the ACT.
- 1.6. "BOARD" means the Board of Directors of the Association.
- 1.7. "BUILDING" means all structures or structural improvements located on the Real Property and forming part of the Condominium.
- 1.8. "BY-LAWS" means the duly adopted By-Laws of the Association, identified as Exhibit "C-1" attached hereto and made a part hereof as if set out fully herein.
- 1.9. "COMMERCIAL UNIT" means a Unit in Phase II which may be leased by Declarant or the Association for commercial enterprises and commercial purposes, for the benefit of Unit Owners and, to a limited degree, non-owners.

1.10. "COMMON ELEMENTS" means all portions of the Condominium other than the Units.

1.11. "COMMON EXPENSES" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.12. "COMMON SURPLUS" means the excess of all receipts of the Association arising out of the Common Elements over the amount of the Common Expenses.

1.13. "CONDOMINIUM" means Legacy Condominiums at Gulfport, and consists of the Condominium Property submitted to the Condominium form of ownership by this Declaration.

1.14. "CONDOMINIUM DOCUMENTS" means the Declaration, By-Laws, Articles and all rules and regulations adopted by the Association and all exhibits attached thereto as the same may be amended from time to time.

1.15. "CONDOMINIUM PROPERTY " or "PROPERTY " means all property, both real, personal or mixed, which is submitted to the Condominium form of ownership as provided for herein and includes the Real Property and all improvements now existing or hereafter placed thereon and all easements, rights, interests or appurtenances thereto, and all personal property now or hereafter used in connection therewith.

1.16. "DECLARATION" means this Declaration of Condominium and any amendments thereto which may be made from time to time.

1.17. "DEVELOPER" means Gulf Condos, L.L.C., a Mississippi limited liability company, and its successors and assigns.

1.18. "DEVELOPMENT" shall have the same meaning as "Condominium Property" or "Property," and such other rights.

1.19. "DEVELOPMENT RIGHTS" shall mean the rights of the Developer to improve or cause the improvement of the Condominium Property.

1.20. "LIMITED COMMON ELEMENT" shall mean the patio, balcony, terrace, porch or storage closet area abutting or appurtenant to each Unit.

1.21. "MEMBER" means a member of the Association, membership in which is confined to Unit Owners.

1.22. "MORTGAGEE" means any lender holding a mortgage or vendor's lien on any part or all of the Condominium Property.

1.23. "OCCUPANT" means a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

124 "PHASE I" means Phase I of Legacy Condominiums at Gulfport.

125 "PHASE II" means Phase II of Legacy Condominiums at Gulfport .

126. "PERSONS" means a natural person, a corporation, a limited liability company, a partnership, a limited partnership, the Association, a Trustee, or other legal entity.

127. "PLANS" mean the site plan, floor plans, and elevations of Phases I and II of the Condominium prepared by an independent registered engineer or registered architect, which are collectively marked Exhibit "B" and attached hereto and expressly made a part hereof as though fully set out herein . Marked as Exhibit "C" and attached hereto is a proposed certificate of the Developer consenting to the recordation of the Plans pursuant to the Act, and including a surveyor's certificate as to the accuracy of a map of the Real Property.

128. "REAL PROPERTY" means that portion of land described at Exhibit "A" which is to be utilized for the condominiums, together with the improvements thereon which by law are considered as being a part of the land, all of which is submitted to the Condominium form of ownership as provided for herein.

129. "SPECIAL DECLARANT RIGHTS" shall mean the rights of the Developer as is defined in the ACT and as set out in the Declaration.

130. "UNIT" or "PRIVATE ELEMENT" shall mean a Condominium Unit, together with the undivided shares in Common Elements and Limited Common Elements appurtenant to that Unit.

1.131. "UNIT OWNER" means the Owner of a Unit.

1.32. "UTILITY SERVICES" shall include but not be limited to electrical power, cable and internet, gas, garbage and sewage disposal.

When the context permits, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

II. NAME

The name by which this Condominium is to be known is Legacy Condominiums at Gulfport. The Condominium is located in the City of Gulfport, First Judicial District, Harrison County, Mississippi.

III. THE REAL PROPERTY

The Real Property owned by the Developer which is herewith submitted to the Condominium form of ownership are the parcels of land described as Phases I and II herein lying and being in Harrison County, Mississippi, and being more particularly described as follows:

TOWER PHASE I

A parcel of land situated in the Southeast Quarter of the Southeast Quarter of Section 32, Township 7 South, Range 10 West, City of Gulfport, First Judicial District, Harrison County, Mississippi, being more particularly described as follows, to wit:

Commence at a cross cut on the concrete seawall on the shoreline of the Gulf of Mexico or Mississippi Sound, said cross cut marking a point on the East line of said Section 32, and said cross cut being further described as being South $0^{\circ} 0' 35''$ East, 1322.61 feet from the Northeast corner of the Southeast Quarter of said Section 32; thence from said cross cut run South $77^{\circ} 04' 10''$ West, along the shoreline of the Gulf of Mexico or Mississippi Sound, for a distance of 677.11 feet to a cross cut on said concrete seawall; thence run South $76^{\circ} 31' 11''$ West, along said shoreline, for a distance of 123.51 feet to a cross cut on said concrete seawall; thence run North $0^{\circ} 22' 36''$ West, for a distance of 117.84 feet to an iron rod on the Northerly margin of U.S. Highway 90; thence run North $73^{\circ} 00' 44''$ East, along said Northerly margin, for a distance of 54.44 feet to the POINT OF BEGINNING; thence run North $18^{\circ} 06' 42''$ West, for a distance of 56.11 feet to the point of curvature of a curve to the left, said curve having a central angle of $16^{\circ} 08' 06''$ and a radius of 220.00 feet; thence run along the arc of said curve, for a distance of 61.95 feet to the point of tangency of said curve; thence run North $34^{\circ} 14' 48''$ West, for a distance of 42.42 feet to the point of curvature of a curve to the right, said curve having a central angle of $09^{\circ} 12' 50''$ and a radius of 138.00 feet; thence run along the arc of said curve, for a distance of 22.19 feet to the point of tangency of said curve; thence run North $25^{\circ} 01' 58''$ West, for a distance of 16.30 feet to the point of curvature of a curve to the right, said curve having a central angle of $21^{\circ} 33' 57''$ and a radius of 100.00 feet; thence run along the arc of said curve, for a distance of 37.64 feet to the point of tangency of said curve; thence run North $03^{\circ} 28' 01''$ West, for a distance of 171.22 feet to the point of curvature of a curve to the right, said curve having a central angle of $17^{\circ} 08' 49''$ and a radius of 62.50 feet; thence run along the arc of said curve, for a distance of 18.70 feet to the point of reverse curvature of a curve to the left, said curve having a central angle of $14^{\circ} 02' 12''$ and a radius of 233.28 feet; thence run along the arc of said curve, for a distance of 57.15 feet to the point of tangency of said curve; thence run North $0^{\circ} 21' 24''$ West, for a distance of 44.82 feet to the point of curvature of a curve to the left, said curve having a central angle of $02^{\circ} 46' 23''$ and a radius of 839.29 feet; thence run along the arc of said curve, for a distance of 40.62 feet to the point of reverse curvature of a curve to the right, said curve having a central angle of $23^{\circ} 44' 30''$ and a radius of 149.73 feet; thence run along the arc of said curve, for a distance of 62.05 feet to a point that is North $08^{\circ} 44' 43''$ East 61.60 feet from the previously described point; thence run on a bearing of East, for a distance of 250.12 feet to a point; thence run South $0^{\circ} 22' 50''$ East, for a distance of 557.27 feet to a point on the Northerly margin of U. S. Highway 90; thence run South $73^{\circ} 28' 13''$ West, along said Northerly margin, for a distance of 100.99 feet to a point; thence run South $73^{\circ} 00' 44''$ West, for a distance of 70.21 feet to the POINT OF BEGINNING, containing 143,544 Square Feet or 3.30 Acres approximately.

Additionally, Developer is the owner of the following described Parcel 2, which adjoins Parcel 1 described above, and which may, at Developer's sole option, be submitted, in whole or in part, to the condominium form of ownership.

TOWER PHASE II

A parcel of land situated in the Southeast Quarter of the Southeast Quarter of Section 32, Township 7 South, Range 10 West, City of Gulfport, First Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

Commence at a cross cut on the concrete seawall on the shoreline of the Gulf of Mexico or Mississippi Sound, said cross cut marking a point on the East line of said Section 32, and said cross cut being further described as being South $0^{\circ}0'35''$ East, 1322.61 feet from the Northeast corner of the Southeast Quarter of said Section 32; thence from said cross cut run South $77^{\circ}04'10''$ West, along the shoreline of the Gulf of Mexico or Mississippi Sound, for a distance of 677.11 feet to a cross cut on said concrete seawall, thence run South $76^{\circ}31'11''$ West, along said shoreline, for a distance of 123.51 feet to a cross cut on said concrete seawall; thence run North $0^{\circ}22'36''$ West, for a distance of 117.84 feet to an iron rod found on the Northerly margin of U.S. Highway 90 and the POINT OF BEGINNING; thence run South $75^{\circ}41'14''$ West, along said Northerly margin, for a distance of 309.62 feet to an iron rod found; thence run North $0^{\circ}56'40''$ West, for a distance of 626.35 feet to a point; thence run North $86^{\circ}35'45''$ East, for a distance of 134.77 feet to a point; thence run North $52^{\circ}03'36''$ East, for a distance of 105.21 feet to a point; thence run on a bearing of East, for a distance of 55.04 feet to a point on a curve; thence run Southwesterly along a curve to the left, said curve having a central angle of $23^{\circ}44'30''$ and a radius of 149.73 feet; thence run along the arc of said curve, for a distance of 62.05 feet to a point that is South $08^{\circ}44'43''$ West, 61.60 feet from the previously described point and the point of reverse curvature of a curve to the right, said curve having a central angle of $02^{\circ}46'23''$ and a radius of 839.29 feet; thence along the arc of said curve, for a distance of 40.62 feet to the point of tangency of said curve; thence run South $0^{\circ}21'24''$ East, for a distance of 44.82 feet to a point of curvature of a curve to the right, said curve having a central angle of $14^{\circ}02'12''$ and a radius of 233.38 feet; thence run along the arc of said curve, for a distance of 57.15 feet to the point of reverse curvature of a curve to the left, said curve having a central angle of $17^{\circ}08'49''$ and a radius of 62.50 feet; thence run along the arc of said curve, for a distance of 18.70 feet to the point tangency of said curve; thence run South $03^{\circ}28'01''$ East, for a distance of 171.22 feet to the point of curvature of a curve to the left, said curve having a central angle of $21^{\circ}33'57''$ and a radius of 100.00 feet; thence run along the arc of said curve, for a distance of 37.64 feet to the point of tangency of said curve; thence run South $25^{\circ}01'58''$ East, for a distance of 16.30 feet to the point of curvature of a curve to the left, said curve having a central angle of $09^{\circ}12'50''$ and a radius of 138.00 feet; thence run along the arc of said curve, for a distance of 22.19 feet to the point of tangency of said curve; thence run South $34^{\circ}14'48''$ East, for a distance of 42.42 feet to the point of curvature of a curve to the right, said curve having a central angle of $16^{\circ}08'06''$ and a radius of 220.00 feet; thence run along the arc of said curve, for a distance of 61.95 feet to the point of tangency of said curve; thence run South $18^{\circ}06'42''$ East, for a distance of 56.11 feet to a point on the Northerly margin of U. S. Highway 90; thence run South $73^{\circ}00'44''$ West, along said Northerly margin, for a distance of 54.44 feet to the POINT OF BEGINNING, containing 173,063 Square Feet or 3.97 Acres, approximately.

The Real Property is subject to the following:

- (a) Zoning, planning, and other restrictions or regulations upon the use of the Real Property as may be imposed by the City of Gulfport, Mississippi or any other governmental authorities having jurisdiction over the Real Property.
- (b) Development Rights and Special Declarant Rights granted Developer by the Condominium documents and by the ACT.
- (c) All ad valorem taxes and assessments.
- (d) The rights of eminent domain and other governmental rights of police power.
- (e) Easements or claims of easements not shown by the public records.
- (f) Encroachments, overlaps, boundary line disputes, and any other matter which would be disclosed by an accurate survey and inspection of the Real Property.
- (g) Terms and conditions of all permits and licenses of Federal, state, and local government, including applicable agencies and departments and private and quasi governmental agencies having jurisdiction over the Real Property.
- (h) Rights of the United States of America, State of Mississippi, Harrison County, and the public in and to the bed, shore and water of the Gulf of **Mexicans** adjacent thereto.
- (i) bdi vision Regulf tions as set forth in instrument adopted by City of Gulfport Ordinance 1501, aJ amended.
- (i) R hts, if an f the public to use as a public beach or recreation area any part of the herein escribed Real Property lying between the Gulf of Mexico on the South and, on the North, the sea wall as it adjoins the South margin of U.S. Highway 90
- (k) Easements reserved by the Declarant, including easements and rights of ingress and egress of residents of the adjoining apartment complex owned by Developer, as well as easements and rights of ingress and egress of residents on the real property designated as Parcel 2, described herein below :
- (l) The covenants and restrictions contained herein.
- (m) A purchaser of a unit does not acquire title or ownership of any land considered tidelands.

IV. PURPOSE

The Developer hereby submits that part of the Real Property described as Phases I and II above, together with all improvements, buildings, structures, and all other permanent fixtures thereon, and all rights and privileges belonging or in any way pertaining thereto, to the Condominium form of ownership and use in the manner provided for by the "Mississippi Condominium Law," Section 89-9-1 et seq., MCA.

V. DEVELOPMENT PLAN

5.1. Plans. The improvements for Phase I are substantially completed in accordance with the Plans, as evidenced by the Certificate of Completion executed by an independent registered architect or registered engineer. The improvements for Phase II will be substantially completed, as evidenced by a Certificate of Completion executed by an independent registered architect or registered engineer, prior to being made subject to this Declaration .

5.2. Amendment. This Declaration may be amended by the Developer without the consent of any Unit Owner, Mortgagee, or other Person in order to exercise any Development Rights or Special Declarant Rights so long as said amendment complies with the requirements of the ACT. In addition to any other method of amending this Declaration provided for elsewhere herein, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Association, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration , or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering unit ownerships, (iii) to bring this Declaration into compliance with the Mississippi Condominium Act, (iv) to correct clerical or typographical errors in this Declaration or any exhibit or any amendment thereto, or (v) to make any other non-material change in this Declaration or any exhibit hereto or any amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Owner, mortgagee or other lienholder. The reserved rights of the Developer under this Article shall terminate ten (10) years from the date of recording of the Declaration. Anything else to the contrary notwithstanding , in compliance with Federal National Mortgage Association (FNMA) guidelines, amendments of a material nature must be approved by at least the Owners of sixty-seven percent (67%) of the Units, and by Mortgagees who represent at least fifty-one percent (51%) of the Units that are subject to mortgages held by Mortgagees. Where this Declaration requires approval binding by Mortgagees, implied approval, including implied written approval, binding upon a Mortgagee may be assumed when said Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after said Mortgagee receives notice of the proposal delivered by certified or registered mail, with a return receipt requested .

5.3. Subsequent Phases.

A. Generally. The property described in Exhibit "A-2," which the Developer may or may not submit to the Condominium form of ownership and use at a future date or dates as one or more additional phases, is not hereby submitted to the Condominium form of ownership and use. However, subject to and in accordance with the following terms and provisions, said property may be submitted to the Condominium form of ownership and use by amendment or amendments to this Declaration. No assurance is made concerning whether or not any phase will be or will not be submitted to the Condominium form of ownership.

B. Units. No assurance is made that, if one or more additional phases are developed and made subject to the terms of this Declaration, as provided for herein, that each such subsequent phase shall consist of a number of Units such that the density (ratio of number of units to land area) of each such phase is equal to or less than that of Phases I or II or both.

C. Common Elements and Limited Common Elements. Any phase which is submitted to the terms of this Declaration shall, at Developer's sole option, contain Common Elements and Limited Common Elements consistent, but not identical, with and complimentary to those existing in Phase I (and in any other phase which may have heretofore been developed and submitted to this Declaration) . In the event that additional phases are submitted to the terms of this Declaration, the owner of any unit subject to this Declaration shall have the right of access to, and utilization of, the Common Elements of any phase submitted to the terms of this Declaration.

D. Phasing Amendments. Any such additional phase may be added to, and made subject to, this Declaration by the execution by the Developer alone of an amendment to this Declaration, which said amendment shall comply with the provisions of the ACT and shall be recorded in the Land Records in the Office of the Chancery Clerk, First Judicial District, Harrison County, Mississippi. Such amendment shall have attached to it exhibits similar to those attached to this Declaration, describing the Property so submitted to the Declaration and containing such other information concerning said Property and the improvements constructed, or to be constructed, thereon as is required by law.

E. Time Limitation. The right of the Developer to add additional phases to the Condominium as herein provided shall cease and terminate ten (10) years from the date of the recording of this Declaration in the Land Records in the Office of the Chancery Clerk, First Judicial District, Harrison County, Mississippi, and only those phases which shall have been submitted to this Declaration prior to said date shall be deemed to have been validly submitted to this Declaration. Except as provided in the preceding sentence, no other time limitation shall be imposed on the right of the Developer to add additional phases.

F. Effect. Once a phase has been submitted to the terms and provision of this Declaration, it shall comprise a portion of the Condominium, to be governed by and subject to all

of the provisions of the Condominium Documents to the extent that said documents are not inconsistent with the provisions of the amendment adding such phase to this Declaration.

5.4. Agreement. Each Person or entity who shall acquire any Unit in the Condominium or interest in or lien upon any such Unit which shall be located in any phase subject to this Declaration, or any portion of said phases shall be deemed, by accepting a conveyance of or otherwise acquiring such Unit interest or lien, to have agreed and consented, within the meaning of this Declaration and of the ACT to be bound by the terms and provisions hereof and to have further agreed and consented that any amendment to this Declaration executed by the Developer alone pursuant hereto shall be binding and effective as written notwithstanding the fact that the undivided interest of the Unit Owners in the Common Elements will be changed thereby.

5.5. Proviso. Anything contained herein to the contrary notwithstanding, Developer does not hereby commit itself to submit such subsequent phase, in whole or in part, to the Condominium form of ownership and use under the terms of this Declaration, and unless submitted to the terms of this Declaration under the provisions hereof, Developer, shall have the right to develop the same or any portion thereof, in any manner and to any extent that it sees fit or to decline to develop said property entirely.

5.6. Easements. Easements are reserved to the Developer throughout the Common Elements as may be reasonably necessary for the purpose of discharging the Developer's obligations or exercising any Development Rights or Special Declarant Rights. Each of the following easements are reserved to the Association for the benefit of the Unit Owners, their guests and lessees and each shall be a covenant running with the Real Property:

A. Utilities and Drainage. Easements are reserved throughout the Condominium Property as may be required for Utility Services and drainage in order to adequately serve the Condominium; provided, however, such easements to a Unit shall be only in accordance with the Plans or as the improvements are constructed, unless approved in writing by the Unit Owner. Each Unit shall have an easement as may be required to drain the Condominium Property adequately. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Association shall have a right of access to each Unit to inspect the same, to remove violations therefrom, and to maintain, repair or replace the Common Elements contained therein or elsewhere on the Condominium Property; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Unit Owners permitted use of the Unit, and except in the event of emergency, entries shall not be made without prior notice to the Unit Owner.

B. Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements

as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any Building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as such Building stands. In the event any Building, any Unit, any adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire, or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such Building or Buildings shall stand.

C. Support. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and of necessity in favor of all other Units, and the Common Elements.

D. Access. Each Unit shall have an easement for pedestrian traffic over, through, and across sidewalks, paths, walks, lobbies, elevators, stairways, walkways and lanes, and light passage ways, as the same may from time to time exist in the Common Elements; and for ingress and egress over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, but the same shall not give or create in any Person the right to park on any portion of the Condominium Property not designated as a parking area nor shall it give or create in any Person the right to use or occupy a Limited Common Element designated for the exclusive use of others. This easement shall be non-exclusive and shall include the right of ingress and egress to a public street or highway upon and over Common Elements providing such access and as shown on the Plans. In the event that one or more additional phases are made subject to this Declaration, any unit owner in any phase shall have access to the Common Elements of all phases, together with the rights of ingress and egress as described herein.

E. Ingress and Egress Easement. Each Unit Owner of the Condominium shall have a non-exclusive easement for ingress and egress between said Unit and the public roads and streets serving the Condominium, over the halls, corridors, stairs, walks, driveways, parking areas, exterior access and other portions of the Common Elements of the Condominium. In the case of Commercial Units and subject to reasonable regulation pursuant to the rules and regulations of the Association as they may be amended from time to time, this easement shall extend to members of the general public for purposes of partaking of the goods and services provided by the business entities occupying the Commercial Units.

5.7. Units. (Private Elements). Each Unit is assigned a number or letter or a combination thereof, which is indicated on the Plans so that no Unit bears the same designation as any other Unit. The legal description of each Unit shall consist of the identifying number or letter or a combination thereof as shown on the Plans, the name of the Condominium, the name of the County in which the Unit is situated, the name of the office in which this Declaration is recorded, and the Instrument Number under which this Declaration is recorded, the description and location of the particular Units

and the appurtenances are determined with the aid of the Plans. The Unit boundaries are determined as follows:

A. Horizontal Boundaries. (Planes). The upper and lower boundaries extended to their plane intersections with the vertical boundaries of each Unit shall be:

(1) Upper Boundary. The horizontal plane of the unfinished lower interior surface of the uppermost ceiling.

(2) Lower Boundary. The horizontal plane of the unfinished upper interior surface of the floor.

B. Vertical Boundaries. (Planes). The vertical boundaries of each Unit shall be the vertical planes of the interior surfaces of exterior windows and glass doors bounding a Unit and the unfinished interior surfaces of the walls and entry doors bounding the Unit, excluding paint, wall paper, and light coverings, extended to their plane intersections with each other and with the upper and lower boundaries.

5.8. General Description of Improvements of Phase I. Phase I of the Condominium Property consists essentially of one (1) building, together with automobile parking areas, lawn and landscaping, and other facilities as more particularly set forth in the Plans. The Building contains fourteen (14) levels (stories). There are twelve (12) types of Condominium Residential Units which are more specifically described in the Declaration of Condominium and in the plans, with square footage representing measurement from the center line of the common (party) walls to the outside of the exterior walls. There are a total of one hundred and three (103) Condominium Residential Units; comprised of three (3) units on Floor 1; eight (8) units each on Floors 2-12 and six (6) units each on Floors 13 and 14, containing such Units.

There are twelve (12) basic floor plans, as follows:

Basic Unit Type "B1 East" is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,259 square feet, with one balcony containing a total of 279 square feet and an exterior storage unit containing a total of 42 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "B1 East" Unit each on Floors 1-12, for a total of twelve (12) units.

Basic Unit Type "B1 West" is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,259 square feet, with one balcony containing a total of 279 square feet and an exterior storage unit containing a total of 42 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "B1 West" Unit each on Floors 2 -12, for a total of eleven (11) units.

Basic Unit Type "B2 East" is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,300 square feet, with one balcony containing a total of 218 square feet and an exterior storage unit containing a total of 21 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "B2 East" Unit each on 1-12, for a total of twelve (12) units.

Basic Unit Type "B2 West" is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,300 square feet, with one balcony containing a total of 218 square feet and an exterior storage unit containing a total of 21 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "B2 West" Unit each on Floors 2 -12, for a total of eleven (11) units.

Basic Unit Type "C1 East" is a three (3) bedroom , two (2) bath Unit, containing kitchen , dining and living areas, totaling 1,601 square feet, with one balcony containing a total of 240 square feet and an exterior storage unit containing a total of 24 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C1 East" Unit each on Floors 2 -14, for a total of thirteen (13) units.

Basic Unit Type "C1 West" is a three (3) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,601 square feet, with one balcony containing a total of 240 square feet and an exterior storage unit containing a total of 24 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C1 West" Unit each on Floors 2 -14, for a total of thirteen (13) units.

Basic Unit Type "C2 East" is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 1,852 square feet, with two balconies containing a total of 325 square feet and an exterior storage unit containing a total of 44 square feet, which serves the Unit as a Limited Common Element . There is one (1) Type "C2 East" Unit each on Floors 1- 12, for a total of twelve (12) units.

Basic Unit Type "C2 West" is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 1,852 square feet, with two balconies containing a total of 325 square feet and an exterior storage unit containing a total of 52 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C2 West" Unit each on Floors 2 - 12, for a total of eleven (11) units.

Basic Unit Type "C3 East" is a three (3) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,883 square feet, with one balcony containing a total of 388 square feet and an exterior storage unit containing a total of 24 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C3 East" Unit on Floors 13 and 14,for a total of two (2) units.

Basic Unit Type "C3 West" is a three (3) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,883 square feet, with one balcony containing a total of 388 square feet with an exterior storage unit containing a total of 24 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C3 West" Unit each on Floors 13 and 14, for a total of two (2) units.

Basic Unit Type "C4 East" is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 2,625 square feet, with one balcony containing a total of 389 square feet and an exterior storage unit containing a total of 44 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C4 East" Unit each on Floors 13 and 14, for a total of two (2) units.

Basic Unit Type "C4 West" is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 2,625 square feet, with one balcony containing a total of 389 square feet and an exterior storage unit containing a total of 52 square feet, which serves the Unit as a Limited Common Element. There is one (1) Type "C4 West" Unit each on Floors 13 and 14, for a total of two (2) units.

5.9. Phase II. Phase II of the Condominium Property consists essentially of one (1) building, together with automobile parking areas, lawn and landscaping, and other facilities as more particularly set forth in the Plans. The Building contains fourteen (14) levels (stories). There are nine (9) types of Condominium Residential Units which are more specifically described in the Declaration of Condominium and in the plans, with square footage representing measurement from the center line of the common (party) walls to the outside of the exterior walls. There are a total of one hundred and twenty-one (121) Condominium Residential Units; comprised of four (4) units on Floors one (1) and nine (9) units each on Floors 2-14. Additionally, there shall be up to three Commercial Units, each located on the first floor.

There are nine (9) basic floor plans, as follows:

Basic Unit Type 'B 1 East' is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,164 square feet, with one balcony containing a total of 193 square feet. There is one (1) Type 'B 1 East' Unit each on Floors 2-14, for a total of thirteen (13) units.

Basic Unit Type 'B1 West' is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,164 square feet, with one balcony containing a total of 193 square feet. There is one (1) Type 'B1 West' Unit each on Floors 1-14, for a total of fourteen (14) units.

Basic Unit Type 'B2 East' is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,279 square feet, with one balcony containing a total

of 227 square feet. There is one (1) Type 'B2 East' Unit each on Floors 2-14, for a total of thirteen (13) units.

Basic Unit Type 'B2 West' is a two (2) bedroom , two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,279 square feet, with one balcony containing a total of 227 square feet. There is one (1) Type 'B2 West' Unit each on Floors 1 -14, for a total of fourteen (14) units.

Basic Unit Type 'B3 East' is a two (2) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,298 square feet, with one balcony containing a total of 234 square feet. There is one (1) Type 'B2 West ' Unit each on Floors 2 -13, for a total of thirteen (13) units.

Basic Unit Type "B3 West" is a two (2) bedroom , two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,298 square feet, with one balcony containing a total of 234 square feet. There is one (1) Type 'B2 West' Unit each on Floors 1 -14, for a total of fourteen (14) units.

Basic Unit Type "C1" is a three (3) bedroom, two (2) bath Unit, containing kitchen, dining and living areas, totaling 1,743 square feet, with one balcony containing a total of 402 square feet. There is one (1) Type 'C1 ' Unit each on Floors 2 -14, for a total of thirteen (13) units .

Basic Unit Type 'C2 East' is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 1,819 square feet, with one balcony containing a total of 301 square feet and an exterior storage unit containing a total of 45 square feet, which serves the Unit as a Limited Conunon Element . There is one (1) Type 'C2 East' Unit each on Floors 2 - 14, for a total of thirteen (13) units .

Basic Unit Type 'C2 West' is a three (3) bedroom, three (3) bath Unit, containing kitchen, dining and living areas, totaling 1,819 square feet, with two balconies containing a total of 301 square feet and an exterior storage unit containing a total of 45 square feet, which serves the Unit as a Limited Conunon Element. There is one (1) Type 'C2 West' Unit each on Floors 1 - 14, for a total of fourteen (14) units ."

5.10. Basic Commercial Unit. The area proposed to be utilized as Commercial Units are as shown on Sheet 21, Phase II, Site Plat 9. Floor Plans at Exhibit B-2 include the area designated Cafe, Salon (Spa) and Office/Reception . Notwithstanding anything contained herein to the contrary, Developer shall retain the right of access and use of Common Areas to service Commercial Units at all times.

5.11. . Commercial Units. Declarant retains the right to utilize up to three (3) Units on the ground floor of Phase II as Commercial Units. Commercial Unit Owners shall be entitled to the use

of sufficient unassigned or unoccupied parking spaces for their customers during reasonable business hours as may be allocated by Developer or pursuant to rules and regulations promulgated by the Association. In no event shall the use of parking by customers and patrons of Commercial Units interfere with any Assigned Parking.

5.12. Unit Ownership. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Unit Owner shall have the unrestricted right of ingress and egress to his Unit, which right shall be an appurtenance to his Unit. The private elements of each Unit shall consist of the following:

- A. The air space of the area of the Building lying within the Unit boundaries.
- B. The surfacing materials on the interior of the exterior walls and on interior walls separating one Unit from another Unit. This is not intended to include the surfacing material on any common-party walls falling between Units. Such surfacing material is a Common Element.
- C. The structural components and surfacing materials of all interior walls located within the boundaries of the Unit.
- D. The structural components and surfacing materials of the floors and ceilings of the Unit.
- E. All bathtubs, toilets and sinks, the range, refrigerator, dishwasher, hot water heater, air conditioning and heating units, lighting fixtures and all hardware and interior and exterior wall fixtures except those exterior lighting fixtures assigned to the common use of the Condominium, and the power meter and its appurtenances.
- F. All interior trim and finishing materials .

5.13. Surfaces. A Unit Owner shall not be deemed to own the structural components of the perimeter and/or load-bearing walls, nor the windows and doors bounding the Units. A Unit Owner, however, shall be deemed to own and shall have the exclusive right and duty to repair and maintain, paint, repaint, tile, wax, paper, or otherwise finish and decorate the surfacing materials on the interior of exterior walls and on interior walls separating a Unit from other Units, and the surfacing materials of the floors of his Unit; all window screens; and all appurtenant installations, including all pipes, ducts, wires, cables, and conduits used in connection therewith, for services such as power, light, telephone, sewer, water, heat and air conditioning, whether located in the boundaries of the Unit or in Common Areas, which are for the exclusive use of the Unit; and all ceilings and partition walls. A Unit Owner shall have the exclusive right and duty to wash and keep clean the interior and exterior surfaces of windows and doors bounding his Unit.

5.14. Changes. The Developer reserves the right to change the interior design and arrangement of any or all Units owned by it. The Developer further reserves the right to alter the

boundaries between Units, which said change shall be reflected by an amendment of this Declaration, which may be executed by the Developer alone, notwithstanding the procedures for amendment described herein. However, no such change of boundaries shall increase the number of Units, nor alter the boundaries of the Common Elements without amendment of this Declaration in the manner described herein. If the boundaries of more than one (1) Unit are altered, the Developer shall appropriately reapportion the shares of the Common Elements which are allocated to the altered Units. Provided, however, the Special Declarant Right granted by this section must be exercised on or before ten (10) years from the date of the recording of this Declaration in the Office of the Chancery Court of Harrison County, Mississippi. No assurance is made concerning whether or not any Unit will be or will not be changed by the Developer nor is any assurance made concerning the nature, character, or quality of said change. The exercise by the Developer of the Special Development Right to change a Unit does not obligate the Developer to exercise said right in any one or all of any other Unit in the Condominium.

5.15. Common Elements. Any right, title or interest in a Unit shall automatically carry with it as an appurtenance and without the necessity of specific reference thereto its respective undivided share of the Common Elements and a right to use the Common Elements in conjunction with the other Unit Owners. The Common Elements of the Condominium are all portions of the Condominium other than the Units and will include the Common Areas and facilities located substantially as shown on the Plans. Such Common Areas and facilities will include the following:

- A. All of the land described in the legal description.
- B. All improvements and parts of the Real Property which are not a Unit or Private Element.
- C. All parking areas (except those assigned to the exclusive use and benefit of a Unit which shall be Limited Common Elements), driveways and other means of ingress and egress.
- D. The mechanical systems and installations providing service to a Building, or to any Unit, such as electrical power, gas, light, hot and cold water, heating and air conditioning, fireplace, sanitary and storm sewer facilities, and including all lines, pipes, ducts, flues, chutes, conduits, cables, wires, and all other apparatus and installations in connection therewith, whether located in the Common Elements or in the Units, except when situated entirely within a Unit for service only of that Unit.
- E. All tangible personal property required for the maintenance and operation of the Condominium and for the common use and enjoyment of the Unit Owners.
- F. Recreation areas and facilities.

G. All foundations, slabs, columns, beams and supports of the Building and such component parts of exterior walls and walls separating Units, roofs, floors and ceilings as are not described herein as Private Elements.

H. Lawn areas, landscaping, walkways, sidewalks, curbs and steps.

I. Exterior steps, elevator, ramps, handrails, stairs and stairwells.

J. All tanks, pumps, pump houses, wells, motors, fans, compressors and control equipment, fire lighting equipment, elevator equipment, and garbage equipment which are not reserved for the use of certain Owners.

K. All area outdoor and exterior lights not metered to individual Units and supports and all entrance and related type signs.

L. The patios, balconies, terraces, porches, storage areas, and doorsteps or stoops affixed to each Unit, even though designated as Limited Common Element.

M. All other parts of the Condominium Property existing for the common use or necessity of the existence, maintenance and safety of the Condominium.

N. All other items listed as such in the ACT.

5.16. Limited Common Elements. The Limited Common Elements located on the Property and the Unit to which they are assigned are as follows:

The patio, balcony, terrace, or porch abutting each Condominium Residential Unit, including the storage closet or area appurtenant to each Condominium Residential Unit, if any, located on said balcony, are Limited Common Elements appurtenant to those Units to which they attach and whose use is restricted to Units to which they are appurtenant. Doorsteps or stoops, if any, providing access to a patio, balcony, terrace, or porch are assigned as a Limited Common Element to the Unit to which the patio, balcony, terrace, or porch serves. The maintenance, repair, and replacement of each patio, balcony, terrace, or porch, storage area and the doorsteps or stoops, if any, providing access thereto shall be the exclusive responsibility of the Association. The upkeep and cleaning of each patio, balcony, terrace or porch, or storage area shall be the exclusive responsibility of the Unit Owner. The boundary lines of each patio, balcony, terrace, or porch and storage area attached to a Unit are the interior vertical surfaces thereof and the exterior unpainted finished surface of the perimeter baluster or railing abutting the patio, balcony, terrace, or porch and shall include the interior of the storage area, if any.

VI. COMMON ELEMENTS

6.01. Ownership. A schedule setting forth the percentage of undivided interest of each unit in Phases I and II of each Unit in the Common Elements is attached hereto, marked Exhibit "G" and by reference made a part hereof. The percentage of undivided interest in Phases I and II of each Unit in the Common Elements is determined by dividing the total number of square feet of interior area of each Unit by the total number of square feet of interior area in all Units in Phases I and II. Upon the incorporation of any one or more additional phases into the Condominium by incremental increase as elsewhere provided, the percentage of undivided interest of each Unit in the Common Elements shall be redetermined in accordance with this formula. For purposes of percentage of ownership in the Common Elements, percentage of Common Expenses, and percentage of Common Surplus, and voting on all matters requiring action by the Owners, the percentages as set out on Exhibit "G" shall govern. The ownership interest in the Common Elements shall be an undivided interest, and except as provided in the ACT and this Declaration shall remain undivided. No Unit Owner shall bring any action for partition or division of the Common Elements. The ownership interest in the Common Elements shall not be conveyed, transferred, encumbered or otherwise affected separate from the ownership of the Unit, and any agreement to the contrary shall be void. Upon the incorporation of any one or more additional phases into the Condominium by incremental increase as elsewhere provided, the percentage of undivided interest of each Unit in the Common Elements shall be redetermined in accordance with this formula.

If 6.02. . Each Unit Owner shall have the right to use the Common Elements regardless of whether such Common Elements are a part of Phase I or II, or any subsequent phase (except therefrom (a) any portions thereof designated as a Limited Common Element and restricted to the exclusive use of and as an appurtenance to a Unit; (b) any portion subject to leases made by or assigned to the Board; and (c) Assigned Parking in conjunction with the Owners of other Units as may be required for the purposes of access, ingress to, egress from, use, occupancy, and enjoyment of the Condominium Property. The right to use the Common Elements shall be subject to and governed by the provisions of the ACT, Condominium Documents, and the Rules and Regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions, or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws.

6.3. Share of Common Expenses and Limited Common Expenses. Each Unit Owner shall be assessed and is individually liable for a proportionate share of the Common Expenses and the proportionate share of the Common Expenses shall be the same ratio as the Unit Owner's percentage ownership in the Common Elements as the case may be. Payment of Common Expenses and Limited Common Expenses shall be in such amounts and at such times as determined in the By- Laws. Assessments shall be collected by the Association on a monthly basis. No Unit Owner shall be exempt from payment of his proportionate share of the Common Expenses or Limited Common Expenses by waiver or nonuse or nonenjoyment of the Common Elements or Limited Common Elements, or by abandonment of his Unit. Common Expenses and Limited Common Expenses shall include but shall not necessarily be limited to expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts. Notwithstanding anything

contained herein to the contrary, the Board may charge an extraordinary use fee for each Commercial Unit.

6.4. Late Payment of Assessments. Assessments for Common Expenses and Limited Common Expenses, and installments thereon, paid on or before fifteen (15) days after the date when due shall bear no interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest and other costs and expenses, at a rate set by the Board, but not to exceed to maximum legal rate, together with all expenses, including Attorney's fees incurred by the Association in any undertaking to collect such unpaid Assessments and expenses. All payment upon account shall be first applied to such late charges, penalties, interests and other costs and expenses, including Attorney's fees, and then to the Assessment payment due. The Association may, in the manner provided for in the By-Laws, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, By-Laws, and rules and regulations of the Association.

6.5. Liens for Assessments . The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements and upon the goods, furniture and effects belonging to the Unit Owner and located in such Unit, which lien shall secure and does secure the moneys due for all Assessments now or hereafter levied or subject to being levied against the Unit Owner which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Assessment owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fees, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the Common Elements. Perfection of any lien provided hereunder shall be in accordance with the laws of the State of Mississippi.

6.6. Priority of Lien. The Association shall have a lien for nonpayment of Common Expenses and Limited Common Expenses as is provided by the ACT. In any suit for the foreclosure of a lien for Assessments, the Association shall be entitled to rental from the Unit Owner from the date on which the payment of any Assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said Unit, without notice to the Unit Owner. The rental required to be paid shall be equal to the rental charged on comparable type of dwelling Units in the area in which the Condominium is located. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at a rate set by the Board of the Association but in no case shall said interest exceed the maximum legal rate on any such advances made for such purposes. All Persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association. A lien for Common Expenses or Limited Common Expenses shall not be affected by any sale or transfer of a Unit, except as herein provided . A sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall extinguish a subordinate lien for Assessments which became payable prior to such sale or transfer; provided ,

however, a sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall not extinguish the lien of the Association to the extent of the Common Expense Assessments and Limited Common Expense Assessments based on the periodic budget adopted by the Association pursuant to the ACT which would have become due in the absence of acceleration during the six months immediately preceding the institution of an action to enforce the lien. However, any such delinquent Assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all of the Units as a Common Expense. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, any Assessments made thereafter .

6.7. Disposition of Surplus. Each Unit shall carry with it a proportionate share of Common Surplus or Limited Common Surplus, as the case may be, and the proportionate share of Common Surplus or Limited Common Surplus shall be the same ratio as that Unit Owner's percentage ownership of the Common Elements or Limited Common Elements; or in the alternative, such surplus or any portion thereof may be added to a reserve fund for maintenance, repair, and replacement of the Common Elements or the Limited Common Elements, as the case may be, at the sole discretion of the Association .

VII. THE ASSOCIATION

7.1. Powers and Duties. The operation and administration of the Condominium shall be by the Association of the Unit Owners, pursuant to the provisions of the ACT. The Association shall be a not for profit Mississippi corporation incorporated by Articles of Incorporation recorded in the office of the Secretary of State of the State of Mississippi . The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or nonexercise of its powers . The Association shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of Unit Owners of the Condominium with reference to the Common Elements or the Limited Common Elements, the roof and structural components of a Building or other improvement , and mechanical , electrical and plumbing elements serving an improvement or a Building as distinguished from mechanical elements serving only a Unit;and with reference to any and all other matters in which all the Unit Owners have a common interest. The Association shall have all the powers and duties set forth in the ACT, as well as all the powers and duties granted to or imposed on it under the By-Laws and other Condominium Documents as they may be amended from time to time. The Association is specifically authorized to enter into agreements by which its powers and duties, or some of them, may be exercised or performed by some other Person or Persons . The Association shall have a reasonable right of entry upon any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Development and further, shall have the right to grant permits, licenses, and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development. The Board shall have the authority and duty to levy and enforce the collection of general and specific Assessments for Common Expenses and Limited Common Expenses and is further authorized to provide adequate remedies for failure to pay such Assessments.

7.2. Name. The name of the Association shall be Legacy Condominiums at Gulfport Owners Association, Inc.

7.3. Members. Each Unit Owner shall be a Member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall immediately terminate when he ceases to be a Unit Owner. The membership of a Unit Owner cannot be assigned or transferred in any manner except as an appurtenance to his Unit.

7.4. Voting Rights. Each Unit shall be entitled to one (1) vote, which vote is not divisible, the numerical value of which shall be the percentage of undivided interest in the Common Elements assigned to the Unit of which the Member is the Owner. The vote for a Unit shall be cast by the Owner thereof in the manner provided for herein and in the By-Laws. However, should the Association be a Unit Owner, it shall not have the voting right for that Unit.

7.5. Designation of Voting Representative. In the event a Unit is owned by one (1) Person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one (1) Person, the Person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, partnership, limited liability company or limited partnership, the officer, employee or individual entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the president or vice president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation) or by the general partner or partners if more than one (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a Unit owned by more than (1) Person or by a corporation, partnership or limited partnership, the membership or vote of the Unit concerned may be cast in accordance with the ACT. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned is effected. A certificate designating the Person entitled to cast the vote of a Unit may be revoked by any Owner thereof.

7.6. Restraint Upon Assignment of Shares in Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his Unit.

7.7. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than five (5) as shall from time to time, be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the Members.

7.8. Indemnification. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any

proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

7.9. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage caused by a latent condition of the Property to be maintained and repaired by the Association nor for injury or damage caused by the elements, or other Owners or Persons.

7.10. By-Laws. The Association and its Members shall be governed by the By-Laws, which shall be adopted at the initial meeting of the Association.

7.11. Proviso. Subject to the provisions herein, until the earliest of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than the Developer; (ii) two (2) years after the Developer, its successors or assigns have ceased to offer Units for sale in the ordinary course of business; or (iii) two (2) years after any Development Right to add new units was last exercised, the By-Laws and rules adopted by the Developer shall govern and the Developer shall have the exclusive right to appoint, remove, and designate the officers and members of the Board of Directors, and neither the Unit Owners nor the Association nor the use of the Condominium Property by Unit Occupants shall interfere with the completion of the contemplated improvements and the sale of the Units. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board; but, in that event, the Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective. Provided, however, not later than ninety (90) days after conveyance of twenty-five percent (25%) of the Units which may be created to Unit Owners other than the Developer, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Unit Owners other than the Developer. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than the Developer, not less than thirty-three and one-third percent ($33\frac{1}{3}\%$) of the members of the Board must be elected by Unit Owners other than the Developer. Except as provided for in the ACT, not later than the termination of any period of Developer control, the Unit Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Unit Owners other than the Developer.

The Developer may make such use of the unsold Units, Commercial Units and of the Common Areas and facilities as may facilitate such completion and sale, including but not limited to showing of the Property and the display of signs until the sales of all Units is completed. The

Developer may maintain sales offices, sundry management offices, leasing and operations offices, and models in any Unit of the Condominium or on Common Elements in the Condominium without restriction as to the number, size, or location of said sales offices, management offices, leasing and operations offices, and models. The Developer shall have the absolute right to rent or lease unsold Developer-owned Condominium Units subject to any duly adopted requirements imposed by the Association and which are applicable to all other Owners and Units. The Developer shall be permitted to relocate said sales offices, management offices, leasing and operations offices, and models from one Unit location to another or from one area of the Common Elements to another area of the Common Elements in the Condominium. The Developer may maintain signs on the Common Elements advertising the Condominium. The rights of the Developer as provided for in this paragraph shall cease and terminate ten (10) years from the date of the recording of this Declaration in the Office of the Chancery Court of Harrison County, Mississippi .

7.12. Contracts. If entered into before the Board elected by the Unit Owners takes office, any management contract, employment contract, or lease of recreational or parking areas or facilities and any other contract or lease between the Association and the Developer may be terminated without penalty and upon not less than ninety (90) days notice to the other party by the Association at any time after the Board elected by the Unit Owners takes office.

7.13. Availability of Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the ACT. The Association shall make reasonably available in the county where the Condominium is located for examination by Unit Owners, prospective purchasers, first mortgagees and insurers of first mortgagees of any Unit, or their authorized agents, current copies of the Declaration, By-Laws, Rules and Regulations and other books, records, financial statements and the most recent annual financial statement of the Association . Reasonably available shall mean available for inspection upon request, during normal business hours or under reasonable circumstances.

7.14. Reserves for Replacements. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance , repair, and replacement of improvements to the Common Elements and Limited Common Elements. The fund shall be maintained out of regular Assessments for Common Expenses and Limited Common Expenses.

VIII. MAINTENANCE

8.1. Maintenance by the Association. The Association is responsible for maintenance, repair, and replacement of the Common Elements.

8.2. Maintenance by Unit Owner. Each Unit Owner is responsible for the maintenance, repair, and replacement of his Unit.

8.3. Addition, Alteration and Improvement of the Common Elements. Except as may be prohibited by the ACT, and except as to the Development Rights and Special Declarant Rights

provided for in this Declaration, after the completion of the improvements included in the Common Elements, Limited Common Elements, or Assigned Parking which are contemplated by this Declaration, there shall be no addition, alteration, change, relocation or further improvement of Common Elements or Limited Common Elements, or Assigned Parking (except by development of additional phases as elsewhere provided herein) without prior approval of the Association .

8.4. Unit Owner's Covenants. Each Unit covenants and agrees as follows:

A. To perform all maintenance, repairs, and replacements that are the Unit Owner's obligations under this Declaration and the ACT.

B. To pay for all the Unit Owner's utilities, including electricity, gas, and telephone used within the Unit and all taxes levied against the Unit Owner's Unit.

C. Not to make, or cause to be made, any repairs, to any plumbing, heating, ventilation or air conditioning systems located outside the Unit Owner's Unit but required to be maintained by the Unit Owner pursuant to the provisions hereof, except by licensed plumbers or electricians authorized to do such work by the Association or its agent.

D. Not to make any addition or alteration to a Unit or to the Common Elements or to the Limited Common Elements or to do any act that would impair the structural soundness or safety of any part of the Condominium Property. Structural alterations within a Unit may be made only with the written consent of the Association .

E. To make no alterations, additions, improvements, repairs, replacements, or changes to the Common Elements or the Limited Common Elements or to any outside or exterior portion of the Building, specifically including, but not limited to screening or enclosing balconies, installing garage or other exterior doors or affixing out shutters to windows, without the prior written consent of the Association . If consent is granted, the Unit Owner shall use only a licensed contractor who shall comply with the Rules and Regulations with respect to the work which may be adopted by the Association . The Unit Owner shall be liable for all damages to another Unit and to the Common Elements or Limited Common Elements caused by any contractor employed by such Unit or by the subcontractor or employees or such contractor, whether said damages are caused by negligence, accident, or otherwise.

F. To allow the Association , its delegates, agents, or employees at all reasonable times to enter into any Unit or Limited Common Element for the purpose of maintaining, inspecting, repairing, or replacing Common Elements or Limited Common Elements or for repairing, maintaining or replacing any plumbing, heating, ventilation or air conditioning system located within such Unit but serving other parts of the Condominium Property; or to determine, in case of emergency, the circumstances threatening Units or Common Elements or Limited Common Elements and to correct the same; or, to determine compliance with the provisions of the Condominium Documents.

G. To promptly report to the Association any defects or needed repairs for which the Association is responsible .

H. To reimburse the Association for any repairs or replacements which are made necessary because of abuse or negligent use by a Unit Owner of the Condominium Property, the cost of such repair or replacement may be assessed against such Unit Owner.

I. To comply with all of the obligations, if any, of a Unit Owner under the ACT.

8.5. Contracts for Maintenance. The Association may enter into a contract with any firm, Person or corporation, or may join with other entities in contracting for the maintenance and repair of the Condominium Property, and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by the Condominium Documents to have the approval of the Members of the Association. This paragraph shall be subject to the provisions of Paragraph 7.12, above.

8.6. Exterior Surface. The Association shall determine the exterior color scheme of the Condominium Property and shall be responsible for the maintenance thereof, except as may be otherwise provided for herein. No Unit Owner shall paint any exterior surface or add or replace any thing thereon or affix thereto without the written consent of the Association.

8.7. Maintenance of On-site Drainage Structures. The Association shall be responsible for the perpetual maintenance of the on-site drainage structures as may be required in the building plans as approved by the City of Gulfport for the construction of the Building.

IX. INSURANCE

9.1. Purchase of Insurance. Commencing not later than the time of the first conveyance of a Unit to a person other than the Developer, the Association shall maintain insurance upon the Condominium Property to the extent reasonably available as provided for in the ACT and as follows. Prepayment of insurance advanced by the Developer shall be reimbursed on a pro rata basis by each Unit Owner upon the first purchase of a Unit.

9.2. Location of Policies. The Association shall retain the original of all insurance policies in a place of safe keeping such as a safe or a safety deposit box .

9.3. Copies to Mortgagees. One copy of each insurance policy and of all endorsements thereto shall be furnished by the Association to any first Mortgagee requesting a copy.

9.4. Authorization to do Business. All policies of insurance must be issued by companies specifically authorized by the laws of the State of Mississippi and certified by the Insurance Commission of the State of Mississippi to transact such business within the State of Mississippi.

9.5. Coverage. The Association is required to maintain the following insurance coverage:

A. Property and Casualty. The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, property insurance for condominium structures with horizontal boundaries and, by way of addition, as follows. The type of policy shall be a "master" or "blanket" type policy of property insurance covering all the Common Elements (except land, foundation, excavation, and other items usually excluded from coverage) including fixtures, building service equipment and supplies, and other personal property belonging to the Association. All references herein to a "master" or "blanket" type of policy of property insurance are intended to denote single entity Condominium insurance coverage. In addition, the insurance obtained under this section shall include coverage of the Units themselves. Fixtures or equipment located within a Unit (regardless of whether or not such Property is a part of the Common Elements) must be covered by such "master" or "blanket" policy, but the coverage need not include improvements and betterments installed by unit owners. If reasonably available, the insurance policy shall include an "All In" endorsement which shall include coverage of appliances (including stoves, cooking ranges, refrigerators, dishwashers, clothes-washers and dryers, to the extent such appliances comprised apart of the Unit on the date of this Declaration or were replacement items for such original appliances), air conditioners, and all fixtures contained within the Units. The policy shall be in an amount deemed appropriate by the Association but not less than the greater of eighty percent (80%) of the actual cash value of the insured Property at the time the insurance is purchased or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any coinsurance provision at any renewal date, exclusive of land, excavation, foundation, and other items normally excluded from property policies. The policy shall include an "Agreed Amount Endorsement" or its equivalent and, if available, an "Inflation Guard Endorsement." If there shall be a construction code provision that requires changes to undamaged portions of the Condominium Property even when only part of the project is destroyed by an insured hazard, the policies shall include construction code endorsements. The property insurance policy shall provide, as a minimum coverage and protection against:

(1) Loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement;

(2) All other perils which are customarily covered with respect to condominiums similar in construction shall be obtained.

B. Liability Insurance. The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, a comprehensive general liability insurance policy, including medical payments insurance and covering all the Common Elements, commercial space owned and leased by the Association, and public ways of the Condominium. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location, and use. However, such coverage shall be, if reasonably available, for at least one million dollars (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, if reasonably available, without

limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of law suits related to employment contracts of the Association. The policy shall also include, if reasonably available, coverage for protection against water damage liability and, if applicable, elevator collision and garage keepers liability. If required by any first mortgage holder and, if reasonably available, the policy shall include protection against such other risks as are customarily covered with respect to Condominiums similar in construction, location and use, including but not limited to host liquor liability, employers liability insurance, contractual and all written contract insurance and comprehensive automobile liability insurance.

C. Flood Insurance. If any part of the Condominium Property shall be deemed to be in a special flood hazard area, as defined by the Federal Emergency Management Agency or other governmental agency, the Association shall, if reasonably available, obtain, maintain, and pay the premiums upon, as a Common Expense, a "master" or "blanket" type of flood insurance policy. The policy shall cover the Common Elements falling within the designated flood hazard area. The insurance shall be in an amount deemed appropriate by the Association, but not less than an amount equal to the lesser of:

(1) Eighty percent (80%) of the actual cash value of the insured property located within the flood hazard area; or

(2) The maximum coverage available for the Property under the National Flood Insurance Program. The policy shall be in a form which meets the criterion set forth in the most current guidelines issued on the subject by the Federal Government.

D. Personnel Coverages. Should the Association employ personnel, all coverages required by law, including workman's compensation, shall be obtained so as to meet the requirements of the law.

E. Fidelity Bonds. The Association shall obtain, if reasonably available, maintain and pay the premiums upon, as a Common Expense, a fidelity bond to protect against loss of money by dishonest acts on the parts of all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of the Association or funds administered by the Association. Where a management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond shall name the Association as the obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than one hundred and fifty percent (150%) of the estimated annual Common Expenses. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums

on all bonds required herein to be maintained by the management agent shall be paid by the management agent. The bond shall provide that any first Mortgagee shall receive notice of cancellation or modification of the bond .

F. Other Insurance. The Association shall obtain other insurance as may be required shall have authority to obtain such other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable. The premiums for such insurance shall be a Common Expense.

If the insurance described above which is required to be maintained is not reasonably available, the Association promptly shall give notice of that fact to be hand delivered or sent prepaid by United States Mail to all Unit Owners.

9.6. Individual Insurance. Nothing contained herein shall be construed to prevent a Unit Owner from obtaining insurance for his own benefit.

9.7. Provisions. Insurance coverage, if reasonably available, must comply with the requirements, if any, of the ACT and this Declaration and shall in substance and effect:

A. Provide that the policy shall be primary, even if the Unit Owner has other insurance that covers that same loss, and further provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, pro-ratio or contribution by reason of any other insurance obtained by or for any Unit Owner.

B. Contain no provision relieving the insurer from liability for a loss occurring because the hazard to such Building is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association or any Unit Owner or any other Persons under either or them.

C. Provide that such policy may not be canceled or substantially modified and the insurer may not refuse to renew said policy (whether or not requested by the Association) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Association, the Unit Owner, each holder of a first mortgage on an individual Unit, and every other Person in interest who shall have requested such notice of the insurer.

D. Contain a waiver by the insurer of any right of subrogation to any right of the Association, or either against the Owner or lessee of any Unit.

E. Contain a standard Mortgagee clause which shall:

(1) Provide that any reference to a Mortgagee in such policy shall mean and include all holders of mortgages of any Unit, whether or not named herein; and

(2) Provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Association or Unit Owners or any Persons under any of them; and

(3) Waive any provisions invalidating such Mortgage clause by reason of the failure of the Mortgagee to notify the insurer of any hazardous use or conveyance, any requirement that the Mortgagee pay any premium thereon, and any contribution clause.

9.8. Liabilities and Responsibilities of Unit Owner. A Unit Owner shall be liable for any claim, damage, or judgment entered as a result of the use or operation of his Unit caused by his conduct. Each Unit Owner shall be responsible for obtaining insurance for his own benefit.

9.9. Insurance Premiums. Insurance premiums maintained by the Association shall be paid by the Association as a Common Expense. Should the Association fail to pay such insurance premiums when due, or should the Association fail to comply with other insurance requirements of a Mortgagee, the Mortgagee shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance. To the extent of any money so advanced, the Mortgagee shall be subrogated to the Assessment and the lien rights of the Association as against the individual Unit Owners for the payment of such item of Common Expense.

9.10. Insurance Trustee: Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their Mortgagees as their interest may appear, and shall provide that all proceeds covering Property losses shall be paid to the Association, as Insurance Trustee for each of the Unit Owners in the percentages as established by the Declaration, which said Association, for the purpose of these provisions, is herein referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purpose elsewhere stated herein and for the benefit of the Unit Owners and their Mortgagees. The Insurance Trustee shall the power to adjust all claims arising under insurance policies purchased by the Association; to bring suit thereon in its name and/or in the name of other insured; to deliver releases on payment of claims; to compromise and settle such claims; and otherwise to exercise all the rights, powers, and privileges of the Association and each Unit Owner and any other holder of an insured interest in the Condominium Property under such insurance policies, however, the actions of the Insurance Trustee shall be subject to the approval of any first Mortgagee if the claim shall involve more than one Unit, and only if one Unit is involved , such actions shall be subject to approval of any first Mortgagee holding a mortgage and encumbering such Unit.

9.11. Shares of Proceeds. The Association as Insurance Trustee shall receive such insurance proceeds as are paid to it and shall hold the same in trust for the purposes stated herein and for the benefit of the Unit Owners and their Mortgagees in the following shares:

A. Common Elements. An undivided share of the proceeds on account of damage to Common Elements shall be held for each Unit Owner, with such share's portion of the total proceeds being the same percentage as the share of the Common Elements appurtenant to his Unit.

B. Units and Limited Common Elements. Except as provided elsewhere in this Declaration:

(1) When the Condominium Property is to be restored, the proceeds shall be held for the Unit Owners of damaged Units and damaged Limited Common Elements, with the share of each in the total proceeds being in the proportion that the cost of repairing the damage suffered by such Unit Owner bears to the total cost of repair, which cost shall be determined by the Board.

(2) When the Condominium Property is not to be restored, the proceeds shall be held for the Unit Owners in the undivided shares that are the same as their respective shares in the Common Elements.

C. Mortgages. In the event a Mortgagee endorsement has been issued with respect to a Unit, the share of the Owner of that Unit 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 of whether or not any damaged Property shall be reconstructed or repaired except as may be specifically provided to the contrary elsewhere in this Declaration.

9.12. Distribution of Proceeds. Proceeds of insurance policies received by the Association as Insurance Trustee shall be distributed to or for the benefit of the beneficial Owners:

A. Reconstruction or Repair. First, if the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, with remittances to Unit Owners and Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by and such Mortgagee.

B. Failure to Reconstruct or Repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners with remittances to Unit Owners and their Mortgagee being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by any such Mortgagee.

X. RECONSTRUCTION OR REPAIR AFTER CASUALTY

10.1. Determination to Reconstruct or Repair. Any portion of the Condominium for which insurance is required under this Declaration which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

A. The Condominium is terminated in accordance with the ACT;

B. Repair or replacement would be illegal under any state or local statute or ordinance covering health or safety; or

C. Seventy-five percent (75%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement of a Common Element in excess of insurance proceeds in reserves is a Common Expense as provided in this Declaration.

10.2. Plans. Any reconstruction or repair must be substantially in accordance with the Plans for the original improvements or as the Condominium Property was last constructed; or if not, then according to Plans approved by the Board of Directors of the Association and by one hundred percent (100%) of the Unit Owners.

10.3. Responsibility. If the damage is only to those parts of a Unit or Limited Common Elements for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

10.4. Estimate of Cost. Immediately after a casualty causing damage to the Condominium Property for which the Association has the responsibility of maintenance and repair, the Association shall obtain at least two reliable and detailed estimates of the cost to rebuild or repair.

10.5. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of the Unit and Limited Common Elements by the Association, Assessments shall be made against the Unit Owners who own the damaged Property or have the exclusive right to use the Limited Common Element attached to his Unit, and against all Unit Owners in the case of damage to Common Areas and facilities in sufficient amounts to provide funds to pay the estimated costs. If any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, Assessments shall be made against the Unit Owners who own the damaged Unit and have exclusive right to use the Limited Common Elements attached to his Unit, and against all Unit Owners in the case of damage to Common Areas and facilities in sufficient amounts to provide funds for the payment of such costs. Such Assessments against Unit Owners for reconstruction and/or repair of damage to Units and Limited Common Elements shall be in proportion to the cost of reconstruction and repair of their respective Units or Limited Common Elements. Such Assessments for reconstruction and/or repair of damage to Common Areas and facilities shall be in proportion to the Owner's share in the Common Elements. Assessments for reconstruction and repair may be collected, and the collection enforced, in the same manner as provided for Assessments elsewhere herein.

10.6. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible, which shall consist of proceeds of insurance held

by the Association as Insurance Trustee and funds collected by the Association from Assessment against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the following manner and order:

A. Disbursement. The construction fund shall be disbursed in payment of such costs on the order and in the manner provided by the Board of the Association.

B. Unit Owner. If there is a balance of insurance proceeds after the payment of the cost of reconstruction and repair that are the responsibility of the Association, this balance shall be distributed to Unit Owners of damaged Units or damaged Limited Common Elements who are responsible for the reconstruction and repair of the damaged portions of their Units or Limited Common Elements. The distribution to each Unit Owner shall be made in the proportion that the estimated costs of reconstruction and repair of such damage to his Unit or Limited Common Element bears to the total of such estimated costs in all damaged Units and Limited Common Elements. However, no Unit Owner shall be paid an amount in excess of such estimated cost for his Unit or Limited Common Element. If there is a first Mortgagee, the distribution shall be paid to the Unit Owner and to the first Mortgagee jointly.

C. Surplus. It shall be presumed that the first moneys distributed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund.

XI. EMINENT DOMAIN

11.1. Proceeds. The taking of a portion of a Unit or of the Common Elements by eminent domain shall be deemed to be a casualty and the determination as to whether the Condominium will be reconstructed or repaired or continued after condemnation will be determined in the manner provided for in the ACT and under Reconstruction or Repair after casualty and the awards for such taking shall be deemed proceeds from insurance on account of the casualty and shall be deposited with the Association as Insurance Trustee. Even though the awards may be payable to a Unit Owner, the Unit Owner shall deposit the awards with the Association as Insurance Trustee; and in the event of failure to do so, in the discretion of the Board of Directors of the Association an Assessment shall be made against a defaulting Unit Owner in the amount of his award, or the amount of such award shall be set off against the sums hereafter made payable to such Unit Owner.

11.2. Disbursement of Funds. If the Condominium is terminated after condemnation, the proceeds of the condemnation awards will be deemed to be insurance proceeds and shall be owned and distributed in the manner provided in this Declaration for the distribution of insurance proceeds if the Condominium is terminated after damage to the Common Elements. If the Condominium is not terminated after condemnation, the size of the Condominium Property will be reduced and the Property damaged by the taking will be made usable in the manner as provided below. The proceeds

of such award shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Association after damage to the Common Elements.

11.3. **Unit Reduced but Habitable.** If the taking reduces the size of a Unit and the remaining portion of the Unit can be made habitable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

A. **Restoration of Unit.** The Unit shall be made habitable. If the cost of the restoration exceeds the amount of the award, and the Owner of the Unit does not within a reasonable period of time provide the additional funds required for restoration, such additional funds may, in the discretion of the Board of Directors, be extended for restoration by the Association and be assessed against the Unit Owner as an Assessment.

B. **Distribution of Surplus.** The balance of the award, if any, shall be distributed to the Owner of the Unit and to any first Mortgagee of a Unit, the remittance being made payable jointly to the Unit Owner and any such first Mortgagee.

C. **Adjustment of Shares in Common Elements.** If the floor area of the Unit is reduced by the taking, the percentage representing the share in the Common Elements, the Common Expenses and the Common Surplus appertaining to the Unit shall be reduced in accordance with the ACT.

11.4. **Unit Made Unhabitable.** If the taking is of the entire Unit, or so reduces the size of the Unit that it cannot be used practically or lawfully for any purpose permitted by the Declaration, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium.

A. **Payment of Award.** The award shall be paid first to any first Mortgagee in an amount sufficient to pay off its mortgage on such Unit; and then jointly to the Unit Owner and other Mortgagees of the Unit in an amount not to exceed the market value of the Condominium parcel immediately prior to the taking as diminished by any sums from the award previously reserved for any first Mortgagee; and the balance, if any, to the repairing and replacing of the Common Elements damaged by the taking.

B. **Addition to Common Elements.** The remaining portion of the Unit, if any, shall become part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Board of Directors; provided that if the cost of the work shall exceed the balance of the fund from the award for the taking, the work shall be approved in the manner elsewhere required in this Declaration for further improvement of the Common Elements.

C. **Adjustment of Shares in Common Elements, Common Expenses, and Common Surplus.** The shares in the Common Elements, the Common Expenses, and the Common Surplus

appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the other shares among the reduced number of Unit Owners. This adjustment shall be done by restating said share of the continuing Unit Owners as percentages aggregating one hundred percent (100%) so that the shares appurtenant to the Units of the continuing Owners shall be in the same proportions to each other as before the adjustment.

D. Assessments. If the balance of the award (after payments to the Unit Owner and such Owners' Mortgagees as above provided) for the taking is not sufficient to finance the alteration of the remaining portion of the Unit for use as part of the Common Elements, the additional funds required for such purposes shall be raised by Assessments against all the Unit Owners who will continue as Owners of Units after the changes in the Condominium affected by the taking. Such Assessments shall be made in proportion to the shares of those Unit Owners in the Common Elements after the changes affected by the taking.

11.5. Taking of Common Elements. Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors ; provided that if the cost of the work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner required elsewhere in this Declaration for further improvement of the Common Elements. The balance of the awards for the taking of the Common Elements, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements, after adjustment of these shares on account of the condemnation, except that if a Condominium parcel is encumbered by a first mortgage, the distribution shall be paid jointly to the Owner and the first Mortgagee of the Condominium parcel.

11.6. Conflict with ACT. If there is any conflict with the provisions of this article and the ACT, the provisions of the ACT shall control.

XII. USE RESTRICTIONS

The use of the Condominium Property shall be in accordance with the provisions of this Declaration and with the following provisions so long as the Condominium exists.

12.1. Units.

Each Condominium Residential Unit shall be occupied and used by a family, their employees, and guests only as a residence and for the furnishing of services and facilities herein provided for the enjoyment of such residence. The foregoing restrictions as to residence, however, shall not be construed in such manner as to prohibit a Unit Owner from:

- (1)) Maintaining his personal professional libraries;
- (2) Keeping his personal business or professional records or accounts;

- ③ Handling his personal business or professional telephone calls or correspondence.

Such uses are declared expressly customarily incidental to the principal residential use and not in violation of said restrictions.

12.2. Miscellaneous Restrictions

A. Nothing shall be stored in or upon the Common Elements or Limited Common Elements without prior consent of the Board except in storage closets or areas or as otherwise herein expressly provided. Limited Common Elements assigned to a Unit may not be leased by Unit Owners to Non-Unit Owners, except in conjunction with the lease of a Unit itself.

B. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance of any Unit or any part of the Common Elements or which will be in violation of any law.

C. No waste shall be committed in or on the Common Elements.

D. Each Unit Owner shall provide and maintain garbage and trash receptacles as may be directed by the Board or by the City of Gulfport, Mississippi, or both, and all garbage and trash shall be kept in said receptacles. In the event the Association identifies a Common Area for the storage of garbage and trash receptacles, each Unit Owner shall store such garbage in a trash receptacle in that area.

E. No Unit Owner or occupant shall disturb or annoy other occupants of the Condominium Property nor shall any occupant or Unit Owner commit or permit any nuisance, noxious, offensive, immoral or illegal act in his Unit or on the Property.

F. Subject to Development Rights under this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accordance with the Board's direction. Provided, however, the Owner of the Condominium Commercial Unit may display a sign adjacent of his Unit so long as said sign complies with reasonable Rules and Regulations imposed by the Association and complies with all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof.

G. Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board.

H. Subject to Development Rights under this Declaration, no structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof.

I. Outdoor drying of clothes, bedding, or similar items is not permitted.

J. Parking of vehicles in driveways and parking areas shall be subject to the Rules and Regulations of the Board applicable thereto.

K. Except within individual Units, no planting, transplanting, or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon the Property, except as approved by the Board.

L. Motorcycles, motor bikes, motor scooters, or other similar vehicles shall not be operated within the Property except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Property so as to annoy or disturb persons or endanger persons or Property.

M. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

N. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the Condominium Property concerned.

O. Neither the Board nor the Association shall take or permit to be taken any action that unlawfully discriminates against one or more Unit Owners.

12.3. Pets. Dogs of less than 65 pounds and cats may be kept by Unit owner only, subject to the rules and regulations adopted for keeping such pets by the Board of Directors of the Association, provided that such consent to keep such animals may be terminated without cause at any time by the Board of Directors of the Association. In the event that a Unit Owner leases its Unit, the tenant of the Unit Owner shall not be allowed to keep pets during the period of tenancy. No animals shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind, and if an animal or pet does cause or create a nuisance or an unreasonable disturbance, said animal or pet shall be permanently removed from the Property within three (3) days from the day the Owner receives the written notice from the Board of Directors of the Association. The Owner of any pet or animal shall be liable for any and all damage caused by such animal or pet.

to any part of the Condominium Property or to any other Property operated by the Association. The Owner of any pet or animal shall be responsible for removing all droppings of same.

12.4. Employees. No employee, customer, or patron of a Unit Owner shall be allowed either to use any of the facilities which are Common Elements of the Condominium Property or to use any of the Property owned or operated by the Association .

12.5. Use of Common Elements. The Common Elements shall be used in accordance with this Declaration and only by the Unit Owners and their agents, tenants, family members, invitees, and licensees for access, ingress to, and egress from the respective Units and for such other purposes incidental to the use of the Units. However, other areas designated for a specific use shall be used for the purposes approved by the Board . The use, maintenance and operation of the Common Elements shall not be obstructed, damaged, or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession, or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements. The Association shall have the right to allow use of portions of Common Elements to Owners of Units in other Condominiums developed by Declarant.

12.6. Unrestricted Right of Transfer. The right of a Unit Owner to sell, transfer, or otherwise convey his Unit shall not be subject to any right of first refusal or similar restriction.

12.7. Leases. It shall be deemed to be the intent of all who take title subject to the terms of this Declaration that this shall be a "lease-restricted" development. Entire Units may be leased by the Unit Owners; provided, however, that such lease and the rights of any tenant thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Units and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board deems appropriate, including eviction. No individual rooms may be rented. This restriction on use shall be considered a covenant running with each Unit, creating a burden on each single Unit and Unit Owner for the benefit of every other Unit and Unit Owner. Anything to the contrary notwithstanding , the Developer and its assigns, retain the right to maintain sales offices, management offices, leasing and operations offices and models on the Condominium property as provided in Paragraph 7.11 above. Further, the Association may maintain an on-site rental and rental management program in which the Unit Owner shall have the right, but not the obligation, to participate.

12.8. Regulations. Reasonable regulations concerning the use of the Condominium Property may be made by the Developer and amended from time to time by the Board of Directors of the Association or by a majority of the members of the Association attending a regular meeting or as may be provided in the Bylaws. Copies of such regulations or amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium upon request.

12.9. Parking and Prohibited Vehicles and Watercraft . A Unit Owner may purchase the right to the exclusive use and benefit of a designated parking space. Otherwise, one (1) automobile

parking space shall be made available to each Unit Owner. The Board of Directors of the Association may or may not in its discretion assign specific parking spaces to the Unit Owners. If an assignment is made, such assignment shall not be recorded in the public records. The Board of Directors of the Association shall have the right to change the assignment of such specific parking spaces from time to time as in its sole discretion it deems advisable. Recreational Vehicles, boats, trailers, and utility trailers of any type are not to be parked on the property. In event of re-configuration of parking, the Board of Directors shall have right to substitute an automobile parking space for another automobile parking space of like quality.

12.10. No Restrictions on Mortgaging Units. Anything construed in any of the Condominium Documents to the contrary, there shall be no restrictions on the right of a Unit Owner to mortgage his Unit.

12.11. Commercial Units. Each of the Commercial Units may be used for any lawful commercial or business purpose pursuant to all applicable zoning or land use regulations. Said use and any lease entered into for a Commercial Unit shall be subject to approval by Developer, or after relinquishment of Developer's control thereof, the Board, as applicable, prior to occupancy and commencement of such use. Any change in the commercial use or activity of any such Unit shall be subject to prior approval by the Developer or Board, after relinquishment of Developer's control thereof. Said approval shall not be unreasonably withheld so long as the proposed use does not create a nuisance or hardship on the Association or its members and is compatible with the over all scheme of development of the Condominium.

12.13. Association Board of Directors Approval in Connection with Commercial Space. By not less than two-thirds (2/3rds) affirmative vote of the Association Board of Directors, the Board may, subject to such terms and conditions as the Board deems appropriate approve the alteration and use the Common Elements to provide for awnings, signs or entrances (doors) for the use of the Commercial Units. As part of said approval the Board may, subject to such terms and conditions as the Board deems appropriate, lease the affected Common Elements to Commercial Unit Owners.

XIII. AMENDMENT

13.01 This Declaration and the By-Laws of the Association may be amended by a vote of two-thirds (2/3rds) of the Board. However, the provisions of this Declaration found in Article 12.07 providing for certain lease provisions may be amended by the affirmative vote or agreement of Unit Owners to which at least two-thirds of the votes in the Association are allocated. (Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments . Anything else to the contrary notwithstanding, in compliance with Federal National Mortgage Association (FNMA) guidelines, amendments of a material nature must be approved by at least the Owners of sixty-seven (67%) of the Units, and by Mortgagees who represent at least fifty-one percent (51%) of the Units that are subject to mortgages held by Mortgagees. Where this Declaration

requires approval binding upon a Mortgagee by Mortgagees, implied approval, including implied written approval, binding upon a Mortgagee may be assumed when said Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after said Mortgagee receives notice of the proposal delivered by certified or registered mail, with a return receipt requested.

XIV. PURCHASE OF CONDOMINIUM UNIT BY ASSOCIATION

14.1. Decision. The decision of the Association to purchase a Condominium Unit shall be made by the Board of Directors without the approval of the Members except as provided in this Article.

14.2. Limitation. If at any time the Association is already the Owner of or has agreed to purchase one or more Condominium Units, it may not purchase any additional Condominium Units without the prior written approval of Members holding seventy-five percent (75%) of the votes of those Members eligible to vote thereon, except as provided in this Article. A Member whose Condominium Unit is the subject matter of the proposed purchase shall be ineligible to vote thereon. Notwithstanding the foregoing, however, the foregoing limitations shall not apply to Condominium Unit either to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent Assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefore does not exceed the cancellation of such lien. In any event, the Board of Directors or a designee thereof, acting on behalf of the Association, may only purchase a Condominium Unit in accordance with this Article, or as the result of a sale pursuant to the foreclosure of:

- (1) A lien on the Condominium Unit for unpaid taxes;
- (2) A lien of a mortgage;
- (3) The lien for unpaid Assessments;
- (4) Any other judgment lien or lien attaching to such Condominium Unit by operation of law.

XV. NOTICE OF LIEN OR SUIT

15.1. Notice of Lien. A Unit Owner shall give notice in writing to the Secretary of the Association of every lien on his Condominium Unit, other than liens for first mortgages, taxes, and special Assessments, within five (5) days after he receives notice of the attaching of the lien.

15.2. Notice of Suit. A Unit Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding that may affect the title to his Condominium Unit, with such notice to be given within five (5) days after the Unit Owner obtains knowledge thereof.

15.3. Failure to Comply. Failure to comply with this section will not affect the validity of any judicial proceeding.

XVI. RULES AND REGULATIONS

16.1. Compliance. Each Unit Owner and the Association shall be governed by and shall comply with the terms of the Condominium Documents and the Rules and Regulations applicable to the Condominium Property. Ownership of a Unit subjects the Unit Owner to compliance with provisions of the Declaration, the Articles, the By-Laws, the Rules and Regulations of the Association, and any contracts to which the Association is a party, as well as to any amendments to any of the foregoing. Failure of the Unit Owner to comply therewith shall entitle the Association or other Unit Owners to an action for damages or injunctive relief, or both, in addition to other remedies provided in the Condominium Documents, or available in law or equity.

16.2. Enforcement. The Association, through the Board of Directors, is hereby empowered to enforce the Condominium Documents and all Rules and Regulations of the Association by such means as it deems necessary, including the imposition of reasonable fines (after reasonable notice and opportunity to be heard) from time to time as set forth in the By-Laws. In the event a Unit Owner fails to maintain his Unit in the manner required in the Condominium Documents and any Rules and Regulations of the Association, the Association, through the Board of Directors, shall have the right to assess the Unit Owner and the Unit for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, a Special Assessment therefor as provided in this Declaration. In addition, the Association shall have the right, for itself and its employees and agents, to enter such Owner's Unit and perform the necessary work to effect compliance.

16.3. Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family, his lessees, their guests, invitees, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit, or the Common Elements. The liability for such increases in insurance rates shall equal five (5) times the first resulting increase in the annual premium rate for such insurance.

16.4. No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction, or other provision of the ACT, the Condominium Documents, or any Rules and Regulations adopted pursuant thereto shall not constitute a waiver of the right to do so.

XVII. GENERAL PROVISIONS PERTAINING TO MORTGAGES

17.1. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

A. Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage.

B. Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the mortgage.

C. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association .

D. Any proposed action that requires the consent of a specified percentage of mortgage holders.

17.2. Blanket Mortgages. The entire Condominium Property, or some or all of the Units included therein, may be subjected to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument executed by all of the Owners of the Property or Units covered thereby. Any Unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. Any such mortgage shall provide a method whereby any Unit Owner may obtain a release of his Unit from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the reasonable proportionate share attributable to his Unit of the then outstanding balance of unpaid principal and accrued interest, and any other charges then due and unpaid. The proportionate share of the mortgage required to be paid for release shall be determined by provisions pertaining thereto stated in the mortgage, or, if the mortgage contains no such provisions, then according to the proportionate share of the Common Elements of the Condominium attributable to such Unit or Units.

XVIII. TERMINATION

18. The termination of the Condominium may be effected in accordance with the provisions of the ACT and by agreement of Unit Owners of Units to which at least ninety percent (90%) of the votes in the Association are allocated . The agreement shall be evidenced by a written instrument executed in the manner required for a deed and recorded in the public records of First Judicial District of Harrison County, Mississippi . After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common in undivided shares.

XIX. COVENANT AGAINST PARTITION

19. There shall be no judicial or other partition of the Condominium Property or any part thereof, nor shall Developer or any Person acquiring any interest in the Property or any part thereof seek any such partition.

XX. MISCELLANEOUS

20.1. Intent. It is the intent of the Developer to create a Condominium pursuant to the ACT. In the event that the Condominium created by this Declaration shall fail in any respect to

comply with the ACT, then the common law as the same exists on the filing date of this Declaration shall control, and the Condominium hereby created shall be governed in accordance with the laws of the State of Mississippi, the By-Laws, the Articles, and all other instruments and exhibits attached to or made a part of this Declaration .

20.2. Covenants, Conditions and Restrictions. All provisions of the Condominium Documents shall, to the extent applicable and unless otherwise expressly therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein; and all of the provisions of the Condominium Documents shall be binding on and inure to the benefit of any Owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representative, successors, and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Unit Owners and Occupants shall be subject to and shall comply with the provisions of the Condominium Documents and any Rules and Regulations promulgated thereunder.

20.3. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase, word or other provision of this Declaration , the Articles, the By-Laws, any Rules and Regulations of the Association promulgated pursuant thereto, and any exhibits attached hereto, as the same may be amended from time to time, or the ACT, or the invalidity in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, sentence, clause, phrase, word or other provision shall not affect the remaining portion thereof.

20.4. Notice. The following provisions shall govern the construction of the Condominium Documents, except as may be specifically provided to the contrary herein: All notices required or desired under the Condominium Documents to be sent to the Association at the address as may be designated from time to time by notice in writing to all Unit Owners. All notices to any Unit Owner shall be delivered in person or sent by first-class mail to the address of such Unit Owner at the Condominium, or to such other address as he may have designated from time to time, in a writing to the Association, or as may be required by law. Proof of such mailing or personal delivery to a Unit Owner by the Association may be provided by the affidavit of the Person or by a post office certificate of mailing. All notices to the Association of a Unit Owner shall be deemed to have been given when delivered to the addressee in person or by a post office certificate of mailing.

20.5. Governing Law and Arbitration of Disputes . Should any dispute arise between any of the parties whose rights or duties are affected or determined by the Condominium Documents, such dispute shall be governed by the laws of the State of Mississippi, and such dispute, disagreement, or question between the parties, including any between the Association and Developer, except a dispute concerning the filing or enforcement of a lien as provided for elsewhere in this Declaration, shall be submitted to arbitration under the Rules of the American Arbitration Association for commercial disputes or as the concerned parties may later agree in writing. The arbitration shall render a decision which shall be binding on all parties to the arbitration, based on a traditional and standard interpretation of the laws of the State of Mississippi. All parties subject to this Declaration forego all right to take legal action thereunder except to enforce any arbitration award, which award shall be a condition precedent to any right of legal action that any party may

have against the other. It shall be deemed that each party who takes title subject to the terms of this Declaration stipulates that this Development and contracts relating to same have a substantial effect on interstate commerce.

20.6. Waiver. No provisions contained in the Condominium Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

20.7. Ratification. Each Unit Owner, by reason of having acquired ownership of his Condominium Parcel, whether by purchase, gift, operation of law, or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Condominium Documents and any Rules and Regulations promulgated thereunder are fair and reasonable in all material respects.

20.8. Captions. The captions used in the Condominium Documents are inserted solely as a matter of convenience and reference and shall not be relied on and/or used in construing the effect or meaning of any of the text of the Condominium Documents.

20.9. Costs and Attorney's fees. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be awarded by the Court.

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IN WITNESS WHEREOF, Gulf Condos, L.L.C., a Mississippi limited liability company, has caused this instrument to be executed on this the 41st day of April, 2014.

DEVELOPER: GULF CONDOS, LLC,
an Alabama Limited Liability Company

BY: The Mitchell Company, Inc., Its Managing Member

§§

OWNER: LEGACY CONDOMINIUMS, L.L.C., a
Mississippi Limited Liability Company

BY: Gulf Condos, L.L.C., Its Managing Member

BY: The Mitchell Company, Inc., Its Managing Member

fit

STATE OF ALABAMA COUNTY OF
MOBILE

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Person appeared before me, the undersigned authority in and for the said county and stated, on this day of April, 2014, within my jurisdiction, the within named Paul C. Wesch, who acknowledged that he is Executive Vice President of The Mitchell Company, Inc., Managing Member of Gulf Condos, L.L.C., a Mississippi Limited Liability Company, and that for and on behalf of said limited liability company, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said limited liability company so to do.

NOT PUBLIC

My Commission Expires: 11-11-15

(Faint, illegible text)

STATE OF Mississippi

Mer

COUNTY OF Jackson

Personally appeared before me, the undersigned authority in and for the said county and stated, on this 11 day of March, 2010, within my jurisdiction, the within named Paul C. Wesch, who acknowledged that he is Executive Vice President of **The Mitchell Company, Inc.**, Managing Member of Gulf Condos, L.L.C., a Mississippi Limited Liability Company, which is Managing Member of Legacy Condominiums, L.L.C., and that for and on behalf of said limited liability company, and as its act and deed he executed the above and foregoing instrument, after first having been duly authorized by said limited liability company so to do.

M NOTARY PUBLIC

My Commission Expires:

March 12, 2011

[Faint, illegible text and markings, possibly a signature or stamp]

EXHIBIT "A"**TOWER PHASE I**

A parcel of land situated in the Southeast Quarter of the Southeast Quarter of Section 32, Township 7 South, Range 10 West, City of Gulfport, First Judicial District, Harrison County, Mississippi, being more particularly described as follows, to wit:

Commence at a cross cut on the concrete seawall on the shoreline of the Gulf of Mexico or Mississippi Sound, said cross cut marking a point on the East line of said Section 32, and said cross cut being further described as being South 0° 0' 35" East, 1322.61 feet from the Northeast corner of the Southeast Quarter of said Section 32; thence from said cross cut run South 77°04' 10" West, along the shoreline of the Gulf of Mexico or Mississippi Sound, for a distance of 677.11 feet to a cross cut on said concrete seawall; thence run South 76° 3 1' 11¹¹ West, along said shoreline, for a distance of 123.51 feet to a cross cut on said concrete seawall; thence run North 0° 22' 36" West, for a distance of 117.84 feet to an iron rod on the Northerly margin of U.S. Highway 90; thence run North 73° 00' 44" East, along said Northerly margin, for a distance of 54.44 feet to the POINT OF BEGINNING; thence run North 18° 06' 42" West, for a distance of 56.11 feet to the point of curvature of a curve to the left, said curve having a central angle of 16°08'06¹¹ and a radius of 220.00 feet; thence run along the arc of said curve, for a distance of 61.95 feet to the point of tangency of said curve; thence run North 34° 14'48" West, for a distance of 42.42 feet to the point of curvature of a curve to the right, said curve having a central angle of 09°12'50" and a radius of 138.00 feet; thence run along the arc of said curve, for a distance of 22.19 feet to the point of tangency of said curve; thence run North 25°0 1'58" West, for a distance of 16.30 feet to the point of curvature of a curve to the right, said curve having a central angle of 21°33'57¹¹ and a radius of 100.00 feet; thence run along the arc of said curve, for a distance of 37.64 feet to the point of tangency of said curve; thence run North 03°28'01" West, for a distance of 171.22 feet to the point of curvature of a curve to the right, said curve having a central angle of 17°08'49" and a radius of 62.50 feet; thence run along the arc of said curve, for a distance of 18.70 feet to the point of reverse curvature of a curve to the left, said curve having a central angle of 14°02'12¹¹ and a radius of 233.28 feet; thence run along the arc of said curve, for a distance of 57.15 feet to the point of tangency of said curve; thence run North 0°21'24¹¹ West, for a distance of 44.82 feet to the point of curvature of a curve to the left, said curve having a central angle of 02°46'23" and a radius of 839.29 feet; thence run along the arc of said curve, for a distance of 40.62 feet to the point of reverse curvature of a curve to the right, said curve having a central angle of 23°44'30¹¹ and a radius of 149.73 feet; thence run along the arc of said curve, for a distance of 62.05 feet to a point that is North 08°44'43" East 61.60 feet from the previously described point; thence run on a bearing of East, for a distance of 250.12 feet to a point; thence run South 0°22'50" East, for a distance of 557.27 feet to a point on the Northerly margin of U. S. Highway 90; thence run South 73°28'13¹¹ West, along said Northerly margin, for a distance of 100.99 feet to a point; thence run South 73°00'44¹¹ West, for a distance of 70.21 feet to the POINT OF BEGINNING, containing 143,544 Square Feet or 3.30 Acres approximately .

EXHIBIT "A-2"**TOWER PHASE II**

A parcel of land situated in the Southeast Quarter of the Southeast Quarter of Section 32, Township 7 South, Range 10 West, City of Gulfport, First Judicial District, Harrison County, Mississippi, being more particularly described as follows, to-wit:

Commence at a cross cut on the concrete seawall on the shoreline of the Gulf of Mexico or Mississippi Sound, said cross cut marking a point on the East line of said Section 32, and said cross cut being further described as being South $0^{\circ}0'35''$ East, 1322.61 feet from the Northeast corner of the Southeast Quarter of said Section 32; thence from said cross cut run South $77^{\circ}04'10''$ West, along the shoreline of the Gulf of Mexico or Mississippi Sound, for a distance of 677.11 feet to a cross cut on said concrete seawall, thence run South $76^{\circ}31'11''$ West, along said shoreline, for a distance of 123.51 feet to a cross cut on said concrete seawall; thence run North $0^{\circ}22'36''$ West, for a distance of 117.84 feet to an iron rod found on the Northerly margin of U. S. Highway 90 and the POINT OF BEGINNING; thence run South $75^{\circ}41'14''$ West, along said Northerly margin, for a distance of 309.62 feet to an iron rod found; thence run North $0^{\circ}56'40''$ West, for a distance of 626.35 feet to a point; thence run North $86^{\circ}35'45''$ East, for a distance of

134.77 feet to a point; thence run North $52^{\circ}03'36''$ East, for a distance of 105.21 feet to a point; thence run on a bearing of East, for a distance of 55.04 feet to a point on a curve; thence run Southwesterly along a curve to the left, said curve having a central angle of $23^{\circ}44'30''$ and a radius of 149.73 feet; thence run along the arc of said curve, for a distance of 62.05 feet to a point that is South $08^{\circ}44'43''$ West, 61.60 feet from the previously described point and the point of reverse curvature of a curve to the right, said curve having a central angle of $02^{\circ}46'23''$ and a radius of 839.29 feet; thence along the arc of said curve, for a distance of 40.62 feet to the point of tangency of said curve; thence run South $0^{\circ}21'24''$ East, for a distance of 44.82 feet to a point of curvature of a curve to the right, said curve having a central angle of $14^{\circ}02'12''$ and a radius of 233.38 feet; thence run along the arc of said curve, for a distance of 57.15 feet to the point of reverse curvature of a curve to the left, said curve having a central angle of $17^{\circ}08'49''$ and a radius of 62.50 feet; thence run along the arc of said curve, for a distance of 18.70 feet to the point of tangency of said curve; thence run South $03^{\circ}28'01''$ East, for a distance of 171.22 feet to the point of curvature of a curve to the left, said curve having a central angle of $21^{\circ}33'57''$ and a radius of 100.00 feet; thence run along the arc of said curve, for a distance of 37.64 feet to the point of tangency of said curve; thence run South $25^{\circ}01'58''$ East, for a distance of 16.30 feet to the point of curvature of a curve to the left, said curve having a central angle of $09^{\circ}12'50''$ and a radius of 138.00 feet; thence run along the arc of said curve, for a distance of 22.19 feet to the point of tangency of said curve; thence run South $34^{\circ}14'48''$ East, for a distance of 42.42 feet to the point of curvature of a curve to the right, said curve having a central angle of $16^{\circ}08'06''$ and a radius of 220.00 feet; thence run along the arc of said curve, for a distance of 61.95 feet to the point of tangency of said curve; thence run South $18^{\circ}06'42''$ East, for a distance of 56.11 feet to a point on the Northerly margin of U. S. Highway 90; thence run South $73^{\circ}00'44''$ West, along said Northerly margin, for a distance of 54.44 feet to the POINT OF BEGINNING, containing 173,063 Square Feet or 3.97 Acres, approximately.

EXHIBIT "E"

HOA - By-Laws

BY-LAWS OF
LEGACY CONDOMINIUMS AT GULFPORT
HOMEOWNERS ASSOCIATION

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LEGACY CONDOMINIUMS AT GULFPORT
HOMEOWNERS ASSOCIATION**

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**BY-LAWS OF
LEGACY CONDOMINIUMS AT GULFPORT
HOMEOWNERS ASSOCIATION**

ARTICLE I. NAME AND LOCATION

Section 1.01. Name. The name of this corporation is Legacy Condominiums at Gulfport Homeowners Association ("Association").

Section 1.02. Location. The principal and registered office of the Association in the State of Mississippi shall be _____, Mississippi. The Association may have such other offices, either within or without the State of Mississippi as the Board of Directors may designate or as the business of the Association may require from time to time.

ARTICLE II. PURPOSE AND APPLICABILITY

Section 2.01. This Association is a nonprofit corporation organized pursuant to Mississippi Code Annotated 79-11-101, et seq.

Section 2.02. The purpose of the Association is to own and maintain the common areas of all phases of Legacy Condominiums at Gulfport ("Condominiums"), promote the well being of the Condominiums, insure compliance with Condominium covenants, and to make such assessments as may be needed to achieve the purposes hereunder.

Section 2.03. This Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this Association .

ARTICLE III. MEMBERS

Section 3.01. Each owner or owners (hereafter "Owner") of a unit in Legacy Condominiums shall be issued a certificate of membership in the Association.

ARTICLE IV. BOARD OF DIRECTORS

Section 4.01. Composition of the Board of Directors. The Board of Directors of the Association shall be appointed by the Declarant until such a time as 75% of all units have been sold and closed, at which time the members shall elect their own Board of Directors. Such appointment powers of the Declarant are subject to certain restrictions, as more fully set out in the Declaration of Condominium of Legacy Condominiums at Gulfport, and any amendments thereto.

Section 4.02. Term and Election of Directors. Initially the Board of Directors shall be composed of three (3) seats, designated Seat 1, Seat 2 and Seat 3. Each Director shall be appointed by the Declarant. At such time as the Declarant achieve seventy-five percent (75%) of Units sold and closed and relinquishes control of the Board, each Director shall be elected at the annual meeting of Owners. After the initial term all directors will serve terms of three (3) years each. It is intended that following relinquishment by the Board, the Board of Directors shall increase to five (5). There shall be two (2) Directors elected from the Unit Owners comprising Phase I. There shall be two (2) Directors from Unit Owners comprising Phase II. The fifth Director shall be selected at large from either Phase I or Phase II.

Section 4.03. Initial Board of Directors. The Initial Board of Directors shall be appointed by the Declarant and shall be composed of three (3) Directors, but shall increase to five (5) as set forth in Section 4.02.

Section 4.04. Vacancies. Vacancies in the Board of Directors shall be filled for the duration of the former Director's term of office by an individual elected by a two-thirds vote of the remaining Directors. A vacancy or vacancies in the Board of Directors shall be deemed to exist in the case of death, resignation or removal of any Director, or if the Owners fail, at any annual or special meeting at which any Director or Directors are elected, to elect the full authorized number of Directors to be voted for at that meeting. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 4.05. Resignation. Any Director may resign at any time by giving written notice of his resignation to a meeting of the Board or the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If the Board of Directors accepts the resignation of a Director rendered to take effect at a future time, the Board shall have the power to elect a successor to take office when the resignation is to become effective.

Section 4.06. Removal. Any individual Director may be removed from office with or without cause by vote of two-thirds of the Directors entitled to vote at any meeting of the Board of Directors, or by the vote of two-thirds of the Owners at any annual meeting. The meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director. In case any one or more Directors be so removed, new Directors may be elected at the same meeting.

Section 4.07 . When Board May Declare Vacancies. The Board of Directors shall declare vacant the office of a Director if he be declared of unsound mind by order of Court or convicted of a felony, or may do so within sixty (60) days after notice of his election if he does not accept such office in writing or does not attend a meeting of the Board of Directors.

Section 4.08. Place of Meeting. Regular meetings of the Board of Directors shall be held at any place within or without the State of Mississippi which has been designated from time to time

by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 4.09. Regular Annual Meeting of Owners.

(a) Purpose. A regular annual meeting of the Owners for the purpose of election of officers of the Association, election of Directors, and the transaction of any other business coming before such meeting shall be held each year on the third Tuesday of September beginning in the next year following the year in which the members elect their own Board of Directors, as per Section 4.01 above. No notice of such meeting to the Owners, other than this by-law, shall be necessary in order to legally constitute the meeting, provided a majority of the Owners shall be present. If a majority of the Owners shall not be present, then such regular annual meeting shall be adjourned and may be held at such time as shall be fixed by the consent, in writing, of all the Directors.

(b) Number of Votes. The number of votes to which each Unit is entitled is provided in the Declaration. The votes of a Unit shall not be divisible.

(c) Vote Required to Transact Business. When a quorum is present, the holders of a majority of the voting rights present, in person or by proxy, shall decide any question brought before the meeting, unless the question is one on which, by express provision of the Act or the Condominium Documents, a different number or manner of voting is required, in which case the express provision shall govern and control the decision in question.

(d) Designation of Voting Member. If a Unit is owned by more than one (1) person, the person entitled to cast the vote or votes for the Unit may be designated by a certificate signed by all of the record Owners of the unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, partnership, trust, or other legal entity, the person entitled to cast the votes for the Unit may be designated by a certificate of appointment signed by a duly authorized representative of the entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit involved. A certificate may be revoked by any Owner of an interest in the Unit.

(e) Failure to Designate a Voting Member. If a Unit is owned by more than one person and they do not designate a voting member, the following provisions shall apply:

- (1) If more than one such Owner is present at any meeting and they are unable to concur in a decision on any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, however, said vote or votes shall be included in the determination as to the presence of, or lack thereof, of a quorum.
- (2) If only one such Owner is present at a meeting, that person shall be entitled to cast the vote or votes pertaining to the Unit.

- ③ **If more than one Owner is present at the meeting, and they concur, any one such Owner may cast the vote or votes for the Unit.**

(f) **Voting by Proxy.** Votes may be cast in person or by proxy, as provided for in the Act. All proxies must be in writing, dated, signed by the Member generating the proxy, and filed with the Secretary of the Association before the appointed time of any meeting to which it applies. A Member may revoke a proxy at any time by delivering a written notice of revocation to the Association.

Section 4.10. Order of Business. The order of business at annual meetings of Owners and, as far as practical, at all meetings of Owners, shall be:

Call to Order;
 Calling of the roll and certifying of proxies; Proof of notice of meeting or waiver of notice;
 Reading and disposal of any unapproved minutes; Reports of officers;
 Reports of committees; Election of Directors; Unfinished business;
 New business; and Adjournment.

Section 4.11. Minutes of Meetings. The minutes of all meetings, regardless of whether the annual meeting of Owners, or quarterly or specially called meetings of Directors, shall be recorded and maintained by the Secretary at the principal office of the Association and shall be available for inspection by Owners during normal office hours.

Section 4.12. Regular Quarterly Meeting. A regular quarterly meeting of the Board of Directors shall be held on the first Tuesday of each quarter and no notice of such meeting shall be necessary to legally constitute the meeting. The agenda for such regular quarterly meeting shall be prepared by the Secretary of the Association and this agenda, together with all related documents necessary for full discussion of the topics listed for discussion, and a copy of any unapproved minutes of prior meetings shall be mailed to each Director on the second Tuesday of each quarter. Any Director, the President of the Association, or the Executive Director of the Association may place an item on the agenda of any regular quarterly meeting and shall do so by informing the Secretary before the second Tuesday of the quarter of such items and the nature of the issues needing consideration by the Board of Directors. Other regular meetings of the Board may be held without notice at such time as shall from time to time be determined by the Board.

Section 4.13. Special Meeting. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent or unable to act, by the Executive Director or by any Director. No business shall be considered at any special meeting other

than the purposes mentioned in the notice given to each Director of the meeting, except upon the unanimous consent of all Directors.

Section 4.14. Notice of Special Meeting. Written notice of the time, place and purpose of all special meetings shall be delivered personally to each Director or sent to each Director by mail or by other form of written communication, charges prepaid, addressed to him at his address as shown on the records of the Association or, if it is not so shown on such records or is not readily ascertainable, at the place where meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place where the principal office of the Association is located at least three (3) business days prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such Director.

Section 4.15. Waiver of Notice. Any actions taken or approved at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting. If a Director does not receive notice of the meeting, but attends and participates in the meeting, he shall be deemed to have waived notice of the meeting, unless the Director at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transaction of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4.16. Quorum. In all meetings of the Board, a quorum shall consist of not less than two-thirds (2/3) of the fixed or prescribed number of Directors and the acts of a majority of the Directors present at a meeting in which a quorum is present shall be the acts of the Board of Directors except as may be otherwise specifically provided by statute or by the certificate of in Association or by these By-Laws and except to adjourn as hereinafter provided.

Section 4.17. Adjournment. A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum of a majority of the Directors present at any Directors meeting, either regular or special, may adjourn to a later date but may not transact any business until a quorum has been secured. At any adjourned meeting at which a required number of Directors shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 4.18. Salaries and Compensation. Members of the Board of Directors shall not be entitled to a salary for their service as members of the Board of Directors of the Association.

Directors may receive reimbursement for their reasonable expenses, or a portion thereof, incurred in connection with their attendance at meetings, or their transacting business of the Association, as provided for all members of the Association in these By-Laws.

Section 4.19. Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing. Such written action by unanimous consent shall have the same effect as actions taken at a meeting of the Board of Directors and shall be filed with the Secretary of the Association and made a part of the minutes of proceedings of the Board of Directors.

Section 4.20. Proxies. Members of the Board of Directors are not entitled to vote or execute consents in their capacity as a Director by use of proxy.

Section 4.21 . Telephonic Meeting. Members of the Board of Directors may participate in a meeting of such Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this section shall constitute presence in person at such meeting .

Section 4.22 . Director Authority. Unless duly authorized by the Board of Directors, no Director, in his capacity as such, shall individually take any action with respect to the Association's affairs, including but not limited to, the employment or termination of employment of any employee of the Association, except through proper actions of the Board of Directors. Unless authorized by the Board of Directors, an individual Director shall have only the authority to participate in the management of the business of the Association by participation in meetings and decisions of the Board of Directors. No Director, as such, of the Association shall voluntarily disclose to any person any proprietary or confidential information concerning the Association's affairs, except such disclosure as may be necessary for a Director to perform his duties as a Director.

Section 4.23. Duties of the Board of Directors. (a) The Directors shall have the general management and control of the business and affairs of the Association and shall exercise all powers that may be exercised or performed by a nonprofit charitable Association under the laws of the State of Mississippi, and these By-Laws.

(b) Each Director shall participate as a member of one of the standing committees of the Association, as assigned or designated upon by a majority of the Directors. Each standing committee shall be composed primarily of individuals other than officers and Directors of the Association and each Director on each standing committee shall report to the Board of Directors as to the actions of the committee of which he is a member.

(c) Each Director is authorized to act on behalf of the Association when performing tasks in furtherance of a particular project for which he or she is responsible.

(d) The Board of Directors, individually and as a body, shall be responsible for formulating policy for the Association.

ARTICLE V. OFFICERS

Section 5.01. Offices. The offices of the Association shall be a President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board of Directors, one or more Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 5.03 of this Article. One person may hold two or more offices; provided, however, that no person shall at the same time hold the offices of President and Secretary.

Section 5.02. Appointment. Officers of the Association, except such officers as may be appointed in accordance with the provisions of Sections 5.03 or 5.05 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or have been removed or otherwise disqualified to serve, or his successor shall be qualified.

Section 5.03. Subordinate Officers. The Board of Directors may appoint, and may empower the President to appoint, such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

Section 5.04. Removal and Resignation . Any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting thereof, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, or to the President, or to the Secretary of the Association.

Section 5.05. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 5.06. President. The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the Association consistent with the express policies and goals of the Association . The President shall preside at all meetings of the Board of Directors. The President is authorized to sign all documents requiring execution in the name of the Association as may pertain to the ordinary course of the Association's business and shall, with the Secretary, sign the minutes of all meetings over which he may have presided.

Section 5.07. Duties of the President. The President, who shall be a Director, is the Chief Executive Officer of the Association, and shall have all of the powers and duties that are usually

vested in the office of the President of a condominium association, including but not limited to the following powers:

- (1) To preside over all meetings of the Members and of the Board.
- (2) To sign as President all deeds, contracts, and other instruments that have been duly approved by the Board.
- (3) To call meetings of the Board whenever he deems it necessary in accordance with the rules.
- (4) To have the general supervision, direction and control of the affairs of the Association.
- (5) To, along with the Secretary, prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

Section 5.08. Vice-President. In the absence or disability of the President, the Vice-Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, the Vice-President designated by the Board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the By-Laws.

Section 5.09. Secretary. The Secretary shall keep or cause to be kept, at the principal office of the Association or such other place as the Board of Directors may order, a book of minutes of all meetings of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors meetings, and the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the By-Laws to be given, and he shall keep the seal of the Association in safe custody. He shall also sign, with the President all contracts, deeds, licenses and other instruments when so ordered. He shall make such reports to the Board of Directors as they may require and shall also prepare such reports and statements as are required by the laws of the State of Mississippi and shall perform such other duties as may be prescribed by the Board of Directors or by the By-Laws. He shall attend to such correspondence and perform such other duties as may be incidental to his office or as may be properly assigned to him by the Board of Directors, including keeping current records showing the Members of the Association together with their addresses, as well as, along with the President, preparing, executing, certifying and recording amendments to the declaration on behalf of the Association.

Section 5.11. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including account of its assets, liabilities, receipts, disbursements, gains, losses, capital,

and surplus. The books of account shall at all reasonable times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designed by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they require it, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws, including, but not limited to, preparing and distributing the financial statements for the Association, preparing a record of all receipts and expenditures, preparing and accounting for each unit, setting forth any shares of Common Expenses or other charges due, the due dates thereof, the present balance due and any interest in Common Surplus.

Section 5.12. Authority to Bind Association. No officer of the Association shall have the authority to cause the Association to become obligated in any manner or form whatsoever except as may be prescribed by the Board of Directors or these By-Laws.

Section 5.13. Salaries and Compensation. Upon approval of the Board of Directors, the officers of the Association shall be entitled to a salary for their service as officers of the Association. Officers may also receive reimbursement for their expenses or a portion thereof, incurred in connection with their attendance at meetings or their transacting business of the Association, in the same manner as other members, as provided by these By-Laws.

ARTICLE VI. EXECUTIVE DIRECTOR

Section 6.01. The Board of Directors may, in its discretion, appoint an Executive Director of the Association, who shall work under the direction of the Board of Directors. The Executive Director shall consult with the Board of Directors on matters involving the exercise of discretion or the interpretations of policies when such matters have not been determined. The Executive Director shall serve as an ex officio member, without vote, of the Board of Directors and on all the various standing committees.

ARTICLE VII. COMMITTEES

Section 7.01. Standing Committees. The Board of Directors may designate, by resolution, such standing or other committees of the Association as it deems appropriate and advisable.

Section 7.02. Committee Chairman. The Board of Directors shall appoint the chairman of any such committees.

Section 7.03. Committee Members. The chairman of each such committee shall choose its members; provided, however, that each such committee shall have no less than one member of the Board of Directors as provided in Section 4.21(b) hereof.

Section 7.04. Reports. The chairman of any such committee shall maintain complete and accurate records of the committee's actions and undertakings. The chairman of each such committee shall provide a report to the Board of Directors at the regular meeting of the Board of Directors following the close of every calendar quarter.

Section 7.05. Meetings. Each such committee shall meet at reasonable and regular time intervals.

ARTICLE VITI. FISCAL YEAR

Section 8.01. Fiscal Year. The fiscal year of the Association shall terminate on the 31st day of December of each calendar year and all records, books and accounts and all tax returns shall be kept and filed accordingly.

ARTICLE IX. FISCAL MANAGEMENT

Section 9.01. Definitions. The capitalized terms in this Article shall have the meaning as listed in the Declaration of Condominium, as amended. The fiscal year of the Association shall be such as shall from time to time be established by the Association.

Section 9.02. Annual Budget. The Board of Directors shall adopt a budget for each fiscal year in accordance with the Act. The annual budget of the Association shall be detailed and shall show the amounts budgeted by accounts and expense classifications. Expense shall be estimated for each category and item of the Common Expenses. The budget shall also include reserve accounts for capital expenditures, deferred maintenance, reserves, and contingencies. The amount reserved shall be computed by means of a formula that is based on the estimated life and estimated replacement cost of each reserve item. The budget shall also set forth each Unit Owner's proposed Assessment for common Expenses. Copies of the budget and proposed assessments shall be transmitted to each Member in accordance with the Act.

Section 9.03. Adoption of the Annual Budget. The Board of Directors shall prepare, or cause to be prepared, a proposed annual budget for each fiscal year of the Association. Within thirty (30) days after adoption of any proposed budget for the condominium, the Board shall provide a copy of the budget to all unit Owners, and shall set a date for a meeting of the unit Owners to consider ratification of the budget not less than fourteen (14) days nor more than thirty (30) days after delivery or mailing of the proposed budget to the unit Owners. The meeting may occur at the same time and place as the annual meeting of the Association. Unless at that meeting a majority of all the unit Owners present in person, or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the unit Owners shall be continued until such time as the unit Owners ratify a subsequent budget proposed by the Board. The Board shall furnish copies of the final annual budget to each unit Owner within thirty (30) days after the adoption.

Section 9.04. Assessments. Assessments for Common Expenses shall be made in accordance with the Declaration, the Act, and these By-Laws. Assessments shall be collected by the Association on a monthly basis as follows: On or before the first day of each month of the fiscal year for which the Assessments are made, each unit Owner shall pay one-twelfth (1/12th) of his share of the Common Expenses for such year as shown by the annual budget and the expenses incurred on an annual or semi-annual basis. However, at the discretion of the Board, prepaid insurance premiums may be made payable on an annual or semi-annual basis as a single charge or assessment. Further, at the discretion of the Board, prepaid insurance premiums and other expenses incurred on an annual or semi-annual basis may be made payable on an annual or semi-annual basis as a single charge or assessment. The assessments of the Common Expenses shall be as set forth in the Declaration, but the yearly assessment for Common Expense of each Owner shall be in proportion to his respective ownership interests in the Common Elements. The Board of Directors may cause to be sent to each unit Owner, on or before the first day of each month, a statement of the monthly Assessment. However, the failure to send or receive such monthly statement shall not relieve the unit Owner of his obligation to make timely payment of the monthly Assessment. If the Board shall not approve an annual budget or shall fail to determine new monthly Assessments for any year, or shall be delayed in doing so, each unit Owner shall continue to pay the amount of his monthly Assessment as last determined. No unit Owner shall be relieved of his obligation to pay his Assessment by abandonment of his Unit or lack of use of the Common or Limited Common Elements. The collection for Assessments shall begin at such time as the first unit is conveyed by the Developer.

Section 9.05. Reserves for Replacements. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Elements and those Limited Common Elements which the Association may be obligated to maintain. The fund shall be maintained out of regular Assessments.

Section 9.06. Depository. The depository of the Association shall be such bank or banks and/or savings and loan associations as shall be designated from time to time by the Directors and in which monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Directors.

Section 9.07. Lien for Expenses. If any Unit Owner shall fail or refuse to make any payment of the Common Expenses or other assessment or fine imposed against him when due, the amount due, together with costs, reasonably attorneys' fees, and interest thereon at the maximum percentage rate as may then be permitted under the laws of the State of Alabama, from and after the date said Common Expenses or other assessments or fines become due and payable in accordance with applicable law, shall constitute a lien on the interest of the Unit Owner in the Property.

Section 9.08. Priority of Lien. Any lien of the Association shall be subject to the rules of priority as stated in the Declaration and other applicable state laws.

Section 9.09. Acceleration of Assessment Installments. In accordance with the provisions of the act, if an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

Section 9.10. Default.

(1) In the event the Owner of a unit does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association may foreclose the lien encumbering the unit created by non-payment of the required monies in the same fashion as mortgage liens on real estate are foreclosed; provided that thirty (30) days' prior notice of the intention to foreclose shall be mailed, postage prepaid, to the Unit Owner and to all persons having a mortgage lien or other interest of record. The Association shall be entitled to the appointment of a Receiver, if so requested. The Association shall have the right to bid in the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgment, brought by or on behalf of the Association against a Unit Owner, and the losing defendant shall pay the cost thereof, together with a reasonable attorney's fee.

(2) If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees, abstract or title insurance costs, and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of the unit in question.

Section 9.11. Supplemental Assessments. If during the course of any fiscal year, it shall appear to the Board that the monthly Assessments, as determined in the annual budget, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board will prepare and approve a supplemental budget covering the estimated deficiency. Copies of the supplemental Assessment shall be made to each Unit Owner for his proportionate share of the supplemental budget.

Section 9.12. Annual Statement. Within sixty (60) days after the end of each fiscal year, the Board shall cause to be furnished to each Unit Owner, a statement for the year so ended showing the receipts and expenditures of the Association, and such other information as the Board may deem desirable. Any mortgage holder may have an audited statement prepared at its own expense.

Section 9.13. Accounting Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirements of the Act. The Board shall cause to be kept, in accordance with generally accepted accounting principles, a record of all receipts and expenditures; and a separate account for each Unit showing the Assessments or other charges due,

the due dates thereof, the present balance due, and any interest in common surplus. Such records shall be open to inspection by Unit Owners and his authorized agents at reasonable times.

Section 9.14. Information. The Association shall be required to make available to Unit Owners, lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, or other Rules and Regulations concerning the Project, and the books, records, financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. In addition to the above, any holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

Section 9.15. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number of address, any mortgage holder, insurer or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing its mortgage.
- (b) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage.
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE X. ANNUAL FINANCIAL REPORT

Section 10.01. Annual Financial Report. Within ninety (90) days following the end of the fiscal year or annually on such a date as is otherwise provided in these By-Laws, the Association shall prepare and complete, or contract for the preparation and completion of a financial report for the preceding fiscal year. Within twenty-one (21) days after the final financial report is completed by the Association or received from the third party, but not later than one hundred twenty (120) days after the end of the fiscal year or other date as provided in these By-Laws, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner. The financial report shall meet the requirements of Section 718.111(13), Florida statutes.

ARTICLE XL AMENDMENTS TO BY-LAWS

Section 11.1. Notice . Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

Section 11.2. Adoption. These By-Laws may be altered, amended, or appealed or new By- Laws may be adopted by the affirmative vote or agreement of seventy-five percent (75%) of Unit Owners and all Directors.

Section 11.3. Prohibited Amendments. No amendment that is in conflict with the Articles, the Declaration or the Act shall be adopted.

Section 11.4. Recording. These By-Laws hereto, shall be binding upon any Owner at such time as title to a unit in Legacy Condominiums vests in such Owner. Any Amendment to these By- . Laws shall be binding upon approval of such Amendment.

ARTICLE XII. MISCELLANEOUS

Section 12.01. Construction. Whenever the contest so permits, the singular shall include the plural, the plural shall include the singular, and the use of gender shall be deemed to include all genders.

Section 12.02. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

Section 12.03. Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Act, the Declaration, or these By- Laws.

Section 12.04. Conflicts. Inthe event of any conflict between the provisions of these By- Laws and the Declaration, the Declaration shall govern, except to the extent the Declaration is inconsistent with the Act.

Section 12.05. Compliance. These By-Laws are set forth to comply with the requirements of the Mississippi Nonprofit Association Act, and shall be considered an appendage to the Declaration filed prior hereto in accordance with said Acts. Incase any of these By-Laws conflict with the provisions of said statutes, it is hereby agreed and accepted that the provisions of the Acts will apply.

The foregoing were adopted as the By-Laws of the Association at the meeting of the Board of Directors thereof on the ___ day of _____ 20__.

EXHIBIT "F"

HOA - Rules and Regulations

LEGACY CONDOMINIUMS AT GULFPORT
Harrison County, Mississippi

RULES AND REGULATIONS

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Harrison County, Mississippi

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LEGACY CONDOMINIUMS AT GULFPORT
Harrison County, Mississippi

RULES AND REGULATIONS

The pleasantness of condominium living is greatly enhanced by a congenial atmosphere in which all residents have proper regard for the comfort of others. For this reason, these rules and regulations have been adopted by the Legacy Condominiums at Gulfport Home Owners' Association, Inc. (the "Association"), in order to assure residents and their guests that the condominium property will be properly used for the benefit of all those persons. All residents are requested to cooperate with the management in seeing that the rules and regulations are observed.

- I. ADDRESS. Residents should designate their address as follows: Unit No. _____
Legacy Condominiums at Gulfport 2242 Beach Drive
Gulfport, Mississippi 39507
2. CONDOMINIUM LIVING. Condominium living requires that each resident regulate
/ \ the occupancy and use of his unit so as not to unreasonably or unnecessarily disturb any other resident in the occupancy and use of his unit. All residents are requested to use their units accordingly.
3. RESIDENTS AND GUESTS. The facilities of Legacy Condominiums at Gulfport are only for the use and enjoyment of residents, and their house guests. Visitors will be permitted to use the facilities only as guest of residents who will remain responsible for acts of their guests. Residents are requested to register their house guests with the management office in order to facilitate the receipt and forwarding of mail and the handling of telephone calls. Mail received for persons unknown to the management must be returned to sender after holding for the period allowed by postal regulations.
4. CHILDREN'S ACTIVITIES. Children are welcome at Legacy Condominiums at Gulfport and there is no desire to restrict their normal activities. Nevertheless, they are required to observe the same restrictions that apply to adults. This precludes the playful use of equipment, the use of any common elements in the building for play areas, or any other conduct that will interfere with the quiet and comfort of the residents. Adult residents with whom children are living will be held responsible for the observance of these rules and regulations by the children. All children will be under the direct control and supervision of a responsible adult. Children under the age of 12 may not use the pool or beach front areas unaccompanied by an adult.
5. SECURITY. The management will attempt to provide security for residents and guests, but all occupants must cooperate if effective security is to be obtained. *This* requires that all unit doors be locked at all times; solicitors are not allowed to enter any unit without an appointment; and all suspicious appearing persons or incidents should be reported immediately to the management.

6. USE OF UNITS. _

(a) Air Conditioning. When the air conditioning unit is operating windows and doors are to be kept closed as much as possible. Not only is this an economically sound practice, but will reduce the admitting of moisture in the warm air and the resulting dampness and mildew in the unit.

(b) Decoration. No unit owner shall decorate any part of his unit of the building so as to change the appearance of any balconies except for the proper display of a United States flag. This precludes the painting of any balconies except floors, illumination of the exterior of the building, display of plants or other objects upon balconies or railings or exterior window sills or ledges. Under no circumstances will containers be allowed that will permit water and/or plant fertilizers to soak through to the building floors and/or lower walls and railings. Any exception must be approved by the Board of Directors in writing.

(c) Equipment Failure. Equipment shall be used only for the purposes intended. Failure of any equipment shall be reported immediately to the management regardless of the responsibility for maintenance in order that proper precautions may be taken to avoid damage of other equipment. Each unit owner shall be liable for all damage caused by misuse of equipment by the residents or guests of the owner's unit.

(d) Fire Hazards. No article shall be stored nor any use made of any part of the condominium property that will constitute a fire hazard.

(e) Hanging of Objects. The hanging of bathing suits, clothing, rugs, towels or other items upon balconies or railings or from windows is prohibited except for the proper display of a United States flag.

(f) Installations. Only such awnings, blinds, shades, hurricane shutters, and sunscreen shall be used in balconies or windows as are approved by the Association.

(g) Maintenance and Repair. Unit owners are reminded that maintenance and repair of the condominium building is the responsibility of the Association except for the interior of the unit. As authorized by the condominium documents, the Board of Directors has determined that the maintenance, repair and replacement of windows and glass doors shall be the responsibility of the unit owner except in case of damage for which insurance proceeds are available. No work of any kind is to be done upon the part of the building to be maintained by the Association without first obtaining the approval required by the condominium documents. Occupants of units under sublease are reminded that the responsibility of maintenance and repair as between the lessor and the lessee is established by their subleases. Regardless of the responsibility for maintenance and repair, it is recommended that need of such work be reported immediately to the management which can be of assistance in obtaining prompt service. Service provided by the management staff for which the unit owner is liable will be charged to the unit owner.

(h) Noise. In order to assure the comfort of all residents, the playing of phonographs, radios, television sets and musical instruments must not exceed a reasonable volume at any time. This applies to all public areas as well as inside units. Between the hours of 10:00 P.M. and 10:00 A.M., the volume shall be kept at a level that cannot be heard outside the unit in which located. All residents and guests shall refrain from any activity that would disturb other residents.

(i) Pets. Dogs of less than 65 pounds and cats may be kept by Unit owner only, subject to the rules and regulations adopted for keeping such pets by the Board of Directors of the Association, provided that such consent to keep such animals may be terminated without cause at any time by the Board of Directors of the Association. In the event that a Unit Owner leases its Unit, the tenant of the Unit Owner shall not be allowed to keep pets during the period of tenancy. No animals shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind, and if an animal or pet does cause or create a nuisance or an unreasonable disturbance, said animal or pet shall be permanently removed from the Property within three (3) days from the day the Owner receives the written notice from the Board of Directors of the Association. The Owner of any pet or animal shall be liable for any and all damage caused by such animal or pet to any part of the Condominium Property or to any other Property operated by the Association. The Owner of any pet or animal shall be responsible for removing all droppings of same.

(g) Signage. A resident may identify his unit by a name plate of a type and size approved by the Association and mounted in the place and manner approved by the Association. No other signs may be displayed in any manner except "For Sale" signs approved by the Association.

(k) Use Restrictions. Residents are reminded of the restrictions upon the use of the condominium property that appear in the condominium documents. The restrictions require, among other things, that a unit may be used only as a residence either permanent or transient. No nuisances shall be allowed nor any practice followed that is the source of annoyance to other residents or in violation of city, county, state or federal laws or regulations.

(l) Waste Disposal. All waste is to be disposed by kitchen garbage disposal units or through the trash chutes and into dumpsters. No waste, including cigars and cigarettes, is to be disposed at any time from balconies or windows.

(m) Windows. This area is subject to sudden rainstorms without warning. In order to avoid water damage to a unit as well as to other parts of the building, occupants of a unit are required to close all windows and doors exposed to the weather whenever no one is to be in the unit. Failure to close windows and doors will render the unit owner liable for resulting damage.

to assure that the parking areas will have an aesthetically pleasing appearance and that they will be available to residents and their guests as needed, trailers, recreational vehicles, buses, motor homes, trucks and boats are to be parked only in designated areas. After a written request, the Association may grant permission for temporary alternative parking because of personal hardship.

10. ASSOCIATION ACCESS. The Association, to facilitate its right to access to all units, shall retain a pass key to the units, and the unit owners shall provide the Association with a new or extra key whenever locks are changed or added for the use of the Association pursuant to its statutory right to access to the units. Duplication of unit owners' keys to common element facilities is restricted in the interest of security. Such keys will be duplicated only with the assistance of the Board or the Board's designated agent.

11. MEETING NOTICES. Bulletin boards are located in the lobby. Official notices will be posted there in compliance with Mississippi statutes.

12. NON-DEVELOPER AMENDMENTS. These regulations may not be amended in a way that would be detrimental to the sales of the units by the developer as long as the developer holds units for sale in the ordinary course of business.

13. RISK MANAGEMENT. Nothing will be done or kept in any unit or in the common elements that will increase the rate of insurance on the building or contents of the building without the prior written consent of the Board. No owner will permit anything to be done or kept in the owner's unit or in the common elements that would result in the cancellation of insurance on the building or the contents of the building, or that would be in violation of any law or building code.

14. APPLICATION OF REGULATIONS. These rules and regulations will apply equally to owners, their families, guests, domestic help and lessees. Each unit owner will be responsible for the conduct of their guests, domestic help and lessees.

15. RIGHT TO AMEND. The Association reserves the right to change, amend, delete and/or waive any of the rules set forth herein.

16. REFERENCE TO OTHER DOCUMENTS. These rules and regulations do not purport to constitute all of the restrictions affecting the Condominium and common property. Reference should be made to the Condominium documents. In the event of conflict between these Rules and Regulations, the Declaration of Condominiums and the By-Laws of the Association shall control.



MARCH 2013 AMENDMENTS TO CONDOMINIUM BY-LAWS
LEGACY CONDOMINIUMS AT
GULFPORT HOME OWNERS
ASSOCIATION, INC.

Condominium By-Laws Amendments:

By-law Change No. 1:

The following amends Section 4.09(t) of the By-Laws. The existing language of Section 4.09(f) of the By-Laws is deleted, on page 4 of the By-Laws, Instrument Number 2005-13604-0-J1, filed March 24, 2005, to be replaced with the following.

(t) Voting by Proxy. A Unit Owner may cast a vote in person or by proxy, as provided for in the Act. All proxies must be in writing, dated, signed by the Unit Owner generating the proxy, and filed with the Secretary of the Association before the appointed time of the meeting to which it applies. A Unit Owner may revoke a proxy at any time by delivering a written notice of revocation to the Association, before the appointed time of the meeting. No proxy vote may be made for another Unit Owner by any person who is not himself or herself a Unit Owner, in good standing with fully paid and current Association assessments.

On each proxy, an option will be given the Unit Owner to fill out a block, giving the Unit Owner the option of assigning his proxy on all votes held on bylaws at any Unit Owner meeting to a representative of a group who holds the majority votes of the Unit Owners present at the annual or special meeting. If a Unit Owner does not check that block, or writes the name of a Unit Owner in good standing to vote their proxy at the annual or special meeting, but merely signs the proxy, the proxy will be given by default to the Board President.

By-law Change No. 2:

The following is added as Section 12.06 of the By-Laws, as found on Instrument Number 2005-13604-0-J1, filed March 24, 2005. This Section will be entitled as Members' Area of Legacy Website, and will state the following:

A members-only page of the Legacy Condominiums at Gulfport website will be established and maintained. Unit Owners will be issued a password and ID to access that page. The following documents and information will be available on that page:

- (1) A list of Legacy employees, their titles, and phone numbers;
- (2) A summary profit and loss statement, updated monthly;
- (3) A balance sheet, updated monthly;
- (4) A copy of the Legacy condominium declarations, as updated;
- (5) A copy of the Legacy by-laws, as updated;
- (6) A copy of the Legacy rules and regulations, as updated.

Declarations Change No. 1:

9.08 Liabilities and Responsibilities of Unit Owner. A Unit Owner shall be liable for any claim, damage, or judgment entered as a result of the use or operation of that Owner's Unit caused by that Owner's conduct.

Each Owner shall carry condominium owner's insurance for that Owner's benefit insuring their carpeting, wall covering, fixtures, appliances, furniture, furnishings, and other personal property, and insuring against public liability for personal injury or property damage. All such condominium owner's insurance insuring personal property, and such liability policies insuring that Owner against liability from third persons for personal injury or property damage, shall contain waivers of subrogation against the Board of Trustees for the Legacy Condominiums at Gulfport Home Owners' Association, Inc., the Legacy Condominiums at Gulfport Home Owners' Association, Inc. itself, and other Unit Owners.

The amount of the condominium owner's insurance insuring personal property shall equal the estimated fair market value of the personal property in that Owner's unit. The amount of the liability insurance shall be no less than £300,000 per occurrence.

Declarations Change No. 2:

5.15 Common Elements. -

Section 5.15(C) of the Condominium Declarations are amended to read: Such

Common Areas and facilities will include the following:

- C. All parking areas, driveways and other means of ingress and egress.

This Section, and any other section of the Declarations relating to parking spaces, included restrictions on common elements, are subject and subordinate to the following paragraphs within 5.15(C).

Parking areas which exist on the first and second floors of the parking garage, and are covered, are limited common elements. Those parking areas are subject to being distributed by the Association in the following manner.

Unit owners who wish covered parking spaces may apply to the Association for those spaces. If there are more applications than spaces available, a lottery for the covered parking spaces will be conducted the morning of the Annual Unit Owners' meeting. The Board will set the fee per space for the covered parking space.

The covered parking space is a license from the Association to the Unit Owner, which is then subject to the following provisions. The Unit Owner may transfer the covered parking space in question to another Unit Owner only. Such transfer may not be recorded in the Land Records Vault of the Chancery Court of Harrison County, Mississippi or any other government land records recording system.

Instead, upon the transfer of the license for the covered parking space from one Unit Owner to another, the Unit Owner acquiring that license for the covered parking space will present to the Association a form, provided by the Association, signed by the Unit Owner conveying the license for the covered parking space,

and the Unit Owner acquiring the license for the covered parking space, reflecting the change in who has the license to park in that covered parking space.

Upon foreclosure of a Unit Owner's property who has such a license, the license to park in the covered parking space in question will revert back to the Association.

If a Unit Owner becomes more than thirty days delinquent in his regular condominium assessments or any special condominium assessments, the Unit Owner loses the license to park in the covered parking space in question. If a Unit Owner becomes more than six months delinquent in his regular condominium assessments or any special condominium assessments, the Unit Owner loses the license permanently, and the license to park in the covered parking space in question will revert back to the Association.

SIGNED, this the 18th day of March, 2013.



President, Board of Directors,
Legacy **Condos** at Gulfport Home
Owners Association, Inc.

STATE OF MASSACHUSETTS

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the [8th day of March, 2013, within my jurisdiction, the within named Richard

Sanchez, who acknowledged that he executed the

above and foregoing instrument.

Joseph C. Harris
NOTARY PUBLIC

My commission expires:

1/31/15



*Filing Instructions:**Tower I, Legacy Condominiums:*

101 , 102, 103, 201 , 202, 203, 204, 205, 206 , 207 ,
 208, 301, 302, 303, 304, 305, 306, 307, 308, 401:
 402, 403, 404, 405, 406, 407, 408. 501, 502, 503,
 504, 505, 506, 507, 508, 601, 602, 603, 604, 605,
 606, 607, 608; 701, 702, 703, 704, 705, 706, 707,
 708, 801, 802, 803, 804, 805, 806, 807, 808, 901,
 902, 903, 904, 905, 906, 907, 908, 1001 : 1002, 1003, 1004,
 1005, 1006, 1007, 1008, 1101, 1102, 1103, 1104, 1105,
 1106, 1107, 1108; 1201, 1202, 1203, 1204, 1205, 1206, 1207;
 1208, 1301, 1302, 1303, 1304, 1305, 1306, 1401, 1402, 1403,
 1404, 1405, 1406¹

*Tower I Units - 103**Tower II, legacy Condominiums :*

106, 107, 108, 109; 201, 202, 203, 204, 205, 206,
 207, 208, 209, 301 , 302. 303, 304, 305, 306, 307,
 308, 309; 401 , 402, 403, 404, 405, 406, 407, 408,
 409, 501 , 502, 503, 504, 505, 506, 507, 508, 509,
 601, 602, 603, 604, 605, 606, 607, 608, 609, 701 ,
 702, 703, 704, 705, 706, 707, 708, 709, 801 , 802,
 803, 804, 805, 806, 807, 808, 809, 901 , 902, 903,
 904, 905, 906, 907, 908, 909, 1001 , 1002, 1003, 1004,
 1005, 1006, 1007, 1008, 1009, 1101, 1102, 1103, 1104, 1105,
 1106, 1107, 1108, 1109; 1201, 1202, 1203, 1204, 1205, 1206,
 1207, 1208, 1209, 1301 , 1302, 1303, 1304, 1305, 1306, 1307,
 1308, 1309, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408,
 1409, Spa, Office, Care

Tower II Units - 124

Prepared by:

CARRALLISON

Thomas L. Carpenter/MB# 9808 14231

Seaway Road

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864-1060

Fax: (228) 864-9160

E-MAIL: [tcarpenter @ carrallison.com](mailto:tcarpenter@carrallison.com)