

This Instrument Was Prepared By:

Mullins & Spence  
2600 Sixth Street  
Tuscaloosa, Alabama, 35401

ARTICLES OF INCORPORATION  
OF

CARMEL BAY HOMEOWNERS ASSOCIATION, INC.

114 52  
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INCORPORATION Book & Page  
07/01/94 01:52:48 PM  
W. Hardy McCollum - Probate Judge  
Tuscaloosa County, Alabama

The undersigned, B.G. Mullins and Barry L. Mullins, as incorporators, hereby associate themselves together for the purpose of becoming incorporated under the laws of the State of Alabama as a non-profit corporation, and hereby adopt the following Articles of Incorporation:

ARTICLE ONE - NAME

The name of the corporation shall be: CARMEL BAY HOMEOWNERS ASSOCIATION, INC., and shall be referred to herein as Carmel Bay.

ARTICLE TWO - DURATION

The period of duration of Carmel Bay shall be perpetual.

ARTICLE THREE - PURPOSE AND POWERS

Section 1. Purpose. The purpose for which Carmel Bay is formed is to promote the social welfare of the members and to provide an entity for the purpose of the management, operation, maintenance, repair, and replacement of private properties, common areas, easements, as presently exist or may be constructed in the part of Carmel Bay Subdivision restricted for residential use and as appears within the platted subdivision in Plat Book 20 at Pages 172+173 in the Probate Office of Tuscaloosa County, Alabama; and, further, to enforce the covenants, conditions, and restrictions, pertaining to said property.

Section 2. Powers. As a means of accomplishing the foregoing purpose, Carmel Bay shall have the following powers:

(a) Every power now conferred of which may be hereafter conferred on a non-profit corporation under the laws of the State of Alabama which are not in conflict with the terms of these Articles.

(b) Every power and duty necessary to administer and manage the property in accordance with all recorded Restrictive Covenants and the by-laws, including but not limited to the following

(i) To designate those expenses which shall constitute the common expenses of Carmel Bay other than those expenses declared as common expenses under the by-laws of Carmel Bay.

(ii) To estimate the amount of the annual budget and to make and collect assessments against owners of Lots in Carmel Bay to defray the costs, expenses and losses of Carmel Bay.

(iii) To use the proceeds of assessments in the exercise of its powers and duties.

(iv) To maintain, repair, replace and operate property.

(v) To purchase insurance upon the property and insurance for the protection of Carmel Bay its Board of Directors, the Design Review Board and its members.

(vi) To reconstruct the property after casualty and to further improve the property.

(vii) To make and amend rules and regulations respecting

114 53  
Recorded in Above  
INCORPORATION Book & Page  
07/01/94 01:53:14 PM  
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114 54  
Recorded in Above  
INCORPORATION Book & Page  
07/01/94 01:53:22 PM  
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Tuscaloosa County, Alabama

the use of the property.

(viii) To enforce by legal means the provisions of these Articles of Incorporation, the by-laws, the restrictive covenants, and the rules and regulations for the use of the property.

(ix) To contract for the management of the property and to delegate to such managing agent all powers and duties of Carmel Bay except such as are specifically required to have approval of the Board of Directors of the membership.

(x) To retain legal counsel.

(xi) To employ personnel to perform the services required for proper operation of Carmel Bay.

(xii) To own and to purchase lots in Carmel Bay.

(xiii) To enter into contracts or agreements for the maintenance of accounting and bookkeeping records and for the use of data processing facilities of services, so as to carry o u t Carmel Bay's responsibilities and to comply with the requirements of the Law of the State of Alabama with regard to maintenance of records.

(xiv) To enter into such other contracts of agreements reasonably necessary or convenient for the proper exercise of the rights, powers, duties and functions of Carmel Bay.

(xv) To employ all personnel reasonably necessary to perform exercise of the rights, powers, duties and functions of Carmel Bay.

(xvi) To exercise any and all common law and statutory powers,

although not specifically recited above, of a non-profit corporation, reasonably necessary of convenient to carry out and perform the purpose for which Carmel Bay is organized and its enumerated powers.

(xvii) To make such distribution of any profit, surplus of reserve funds of Carmel Bay to the members at such times and in such manner, and to do such other acts, as may be required to comply with the provisions of Section 501 (c) (4) of the Federal Internal Revenue Code, and applicable Revenue rulings, and other Federal and State statutes providing for an exemption from Federal and State income taxes for non-profit organizations.

(c) All funds and the title of all properties acquired by Carmel Bay and the proceeds thereof shall be held in trust for the members in accordance with the provisions of these Articles and the by -laws.

(d) No contract or other transaction between Carmel Bay and any of its Directors, or between Carmel Bay and any corporations, partnership, firm of association (including the Developer) in which any Directors or Officers of Carmel Bay are directors or officers or are otherwise pecuniarily interested, shall be void of voidable, provided that the fact of the common interest is disclosed of known to the Board. Any common or interested Director may be counted in determining the presence of a quorum at any meeting of the Board and may vote to authorize any contract of transaction.

(e) The powers of the Association shall be subject to and

shall be exercised in accordance with the by-laws.

For the purpose of these Articles of Incorporation, the Developers are Barry L. Mullins and B.G. Mullins, their heirs, successors or assigns.

(f) The developers may, in their discretion, construct common areas and access thereto within any part of Carmel Bay Subdivision. If so, this corporation will, as required by the developers, amend these Articles, or the by-laws, so that the employment, management, and maintenance of the same will be compatible with and shared with that corporation, if one be later formed.

#### ARTICLE FOUR - MEMBERS

Section 1. Qualifications. There shall be one class of members. Each record title owner, including the Developers, of a lot within Carmel Bay Subdivision shall be and required to be a member of CARMEL BAY.

Section 2. Assignment of Shares of Assets. The share of a member in the funds or assets of Carmel Bay cannot and shall not be assigned, hypothecated, or transferred in any manner except as an appurtenance to such member's lot.

Section 3. Change in Membership. Change in membership shall be established by the recording in the Probate Office of Tuscaloosa County, Alabama, of a deed establishing record title a lot within the subdivision. Upon the transfer of title, the owner designated as grantee in the deed shall be a member of Carmel Bay, and the membership of the prior owner shall be terminated.

114 56  
Recorded in Above  
INCORPORATION Book & Page  
07/01/94 01:53:37 PM  
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Section 4. Voting Rights. Whenever authorized by these Articles of Incorporation of the by-laws, each lot owner within the subdivision shall be entitled to cast one vote for each lot owned by such member. The manner of exercising the right to vote shall be determined by the by-laws.

ARTICLE FIVE - DIRECTORS

Section 1. Management. The affairs and business of Carmel Bay shall be managed and conducted by the Board of Directors.

Sections 2. Number. The exact number of Directors shall be as specified in the by-laws.

Section 3. Initial Members. The names and addresses of the initial Board of Directors are as follows:

	<u>Name</u>	<u>Address</u>	114	57
1. B.G. Mullins	1001 Rice Mine Rd	Tuscaloosa AL 35406	Recorded in Above	
			INCORPORATION Book & Page	
			07/01/94	01:53:43 PM
2. Barry L. Mullins	2600 Sixth St	Tuscaloosa AL 35401	W. Hardy McCollum - Probate Judge	
			Tuscaloosa County, Alabama	

Section 4. Manner of Selection. Until all of the lots have been sold in the subdivision, the members of the Board of Directors shall be designated by the developers, and need not be members of Carmel Bay, thereafter, Directors shall be elected at the annual meeting of the members in the manner determined by the by-laws. Vacancies on the Board shall be filled as determined by the by-laws.

ARTICLE SIX - OFFICERS

The officers of the corporation shall consist of a president, one of more vice presidents, a secretary, a treasurer, and such other officers as may be deemed necessary by the Board of Directors, each to be elected or appointed as determined by the by-laws. The names and titles of the officers who are to serve until the first election or appointment are as follows:

<u>Name</u>	<u>Title</u>
Barry L. Mullins	President
B.G. Mullins	Vice-President
Janet D. Mullins	Secretary-Treasurer

114 58  
Recorded in Above  
INCORPORATION Book & Page  
07/01/94 01:53:50 PM  
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ARTICLE SEVEN - REGISTERED OFFICE AND AGENTS

The address of the initial registered office is 2600 Sixth Street, Tuscaloosa, Alabama, 35401, and the name of its initial registered agent at such address is Barry L. Mullins.

ARTICLE EIGHT - INCORPORATORS

The names and addresses of the incorporators are as follows:

<u>Names</u>	<u>Addresses</u>
1. B.G. Mullins	1001 Rice Mine Rd N Tuscaloosa AL 35406
2. Barry L. Mullins	2600 Sixth Street Tuscaloosa AL 35401

ARTICLE NINE - INDEMNIFICATION

Each Director and each Officer shall be indemnified and saved

harmless by Carmel Bay against all expenses, costs, losses, liabilities, actions, and causes of action, or any settlement thereof, including attorney's fees, incurred by or imposed upon such Director or Officer in connection with any proceeding in which he may be a party, of in which he may become involved, by reason of his being or having been a Director or Officer, excepting only cases where such Director or Officer is finally adjudged guilty of willful misconduct in the performance of the duties of such office. This right of indemnification shall be in addition to and not exclusive of all other rights the Director or Officer may be entitled to under the by-laws or otherwise.

ARTICLE TEN - BY-LAWS

Carmel Bay shall make and have by-laws as adopted by the initial Board of Directors.

IN WITNESS WHEREOF, the undersigned incorporators have hereunto set their hands and seals on this the 28th day of June, 1994.

B. G. Mullins  
B.G. Mullins  
Barry L. Mullins  
Barry L. Mullins

114 59  
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07/01/94 01:53:56 PM  
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State of Alabama §  
County of Tuscaloosa §

114 60  
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On this day personally appeared before me, a Notary Public in and for the State of Alabama at Large, B.G. Mullins, whose name is subscribed above, who is known to me and who after being by me first duly sworn, deposed and stated on oath that he executed the foregoing instrument voluntarily and with full knowledge of the contents therein and further stated that the allegations contained therein are true and correct to the best of his knowledge, information and belief.

Sworn unto and subscribed before me on this the 28<sup>th</sup> day of June, 1994.

Rita J. White  
Notary Public in and for the  
State of Alabama at Large

My Commission Expires:

3/31/96

State of Alabama §  
County of Tuscaloosa §

On this day personally appeared before me, a Notary Public in and for the State of Alabama at Large, B.G. Mullins, whose name is subscribed above, who is known to me and who after being by me first duly sworn, deposed and stated on oath that he executed the foregoing instrument voluntarily and with full knowledge of the contents therein and further stated that the allegations contained therein are true and correct to the best of his knowledge, information and belief.

Sworn unto and subscribed before me on this the 28<sup>th</sup> day of June, 1994.

Rita J. White  
Notary Public in and for the  
State of Alabama at Large

My Commission Expires:

3/31/96

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Cashier: PAT Total: 27.00  
Bk/Pg: 114-52  
INC INCORPORATION 25.00  
PJF PROBATE FEES 2.00