

ARTICLES OF INCORPORATION OF GREAT BEND YACHT CLUB, INC.
(A Nonprofit Corporation)

The undersigned hereby executes these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Alabama Nonprofit Corporation Act and certifies as follows:

ARTICLE I

NAME

The name of the corporation shall be Great Bend Yacht Club, Inc., hereinafter referred to as the "Yacht Club" and its duration shall be perpetual.

ARTICLE II

PURPOSE

The purpose for which the Yacht Club is organized is to engage as a non-profit organization to acquire, own, maintain and manage the Common Areas and Marina Facilities of the development known as Great Bend at Butler Basin (hereinafter both referred to as "Marina Facilities"), and to exercise all the powers and privileges and to perform all of the duties and obligations of the Yacht Club as defined and set forth in the By-Laws of the Yacht Club.

ARTICLE III

POWERS

The powers of the Yacht Club shall include and be governed by the following provisions:

Section 1. Common Law and Statutory Powers. The Yacht Club shall have all of the common law and statutory powers of a nonprofit corporation that are not in conflict with the terms of these Articles or the By-Laws, as amended from time to time.

Section 2. Necessary Powers. The Yacht Club shall have all of the powers reasonably necessary to implement its purpose, including, but limited to, the following.

- A. The power to levy and collect dues and assessments as provided for in the By-Laws.
- B. The power to expend monies collected for the purpose of paying the expenses of the Yacht Club.
- C. The power to acquire real and personal property approved by the Board of Directors.
- D. The power to purchase supplies, materials and purchase and/or lease equipment reasonably required for the maintenance, repair, replacement, operation and management of the Marina Facilities.
- E. The power to insure and keep insured the Marina Facilities.
- F. The power to employ the personnel required for the operation of the Yacht Club and the Marina Facilities.

- G. The power to make reasonable rules and regulations and to amend them from time to time.
- H. The power to improve the Marina Facilities.
- I. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws and the Rules and Regulations of the Yacht Club.
- J. The power to pay all taxes and other amounts that are liens against the property of the Yacht Club.
- K. The power to control and regulate the use of the Marina Facilities, and to promote and assist adequate and proper maintenance of the Marina Facilities.
- L. The power to borrow money and the power to select depositories for the Yacht Club's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of check and the person or persons by whom the check shall be signed, when not signed as otherwise provided by the By-Laws.
- M. The power to enter into a long-term contract with any person, firm, corporation or management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the Marina Facilities. The contract may provide that the total operation of the managing agent, firm or corporation shall be at the cost of the Yacht Club. The contract may further provide that the managing agent shall be paid from time to time a reasonable fee.
- N. The power to establish additional officers and/or directors of the Yacht Club and to appoint officers provided in the By-Laws.
- O. The power to appoint committees as the Board of Directors may deem appropriate.
- P. The power to establish and maintain reserve funds for capital repairs, replacements and dredging.
- Q. The power to bring suit and to litigate on behalf of the Yacht Club.
- R. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described.
- S. The Yacht Club shall also have the right, but not the obligation, to maintain and provide services for the other property not owned by the Yacht Club, whether located within or without the boundaries of Great Bend at Butler Basin, and to enter into leases, easements and covenants and to share costs agreements regarding such property (and any other property) where the Board has determined that this would benefit the overall development of Great Bend at Butler Basin.

Section 3. Funds and Title to Properties. All funds and title to all properties acquired by the Yacht Club and the proceeds thereof shall be held only as agent for and solely for the benefit of the Members, as hereinafter defined, in accordance with the provisions of the By-Laws. No part of the income, if any, of the Yacht Club shall be distributed to the Members, directors, or officers of the Yacht Club.

Section 4. Exercise of Authority. The Board of Directors shall have full authority to exercise powers of the Yacht Club subject to restrictions in the By-Laws or otherwise provided by law.

ARTICLE IV

MEMBERSHIP

QUALIFICATION. The members of the Yacht Club shall consist of all of the record owners of Lots and Condominiums ("Owners") in Great Bend at Butler Basin, the plat of said subdivision being of record in the Office of the Judge of Probate of Madison County, Alabama in Plat Book 41, Page 29 (hereinafter "Great Bend").

CHANGE IN MEMBERSHIP. Change of membership in the Yacht Club shall be established by the recording in the public records of Madison County, Alabama, of a deed or other instrument establishing record title to a Lot in Great Bend and delivery to the Yacht Club of a certified copy of such instrument. The new Lot Owner designated by such instrument shall thereupon become a Member of the Yacht Club, and the membership of the prior Lot Owner shall thereby be terminated.

TRANSFER OF MEMBERSHIP. Membership in the Yacht Club can not be assigned, hypothecated, or transferred in any manner, except as an appurtenance to such Member's Lot.

MEETINGS. The By-Laws shall provide for an annual meeting of Members and may provide for regular and special meetings other than the annual meeting.

VOTING. Except as otherwise provided herein, the owner of each Lot and Condominium shall be entitled to one vote. The manner of exercising voting rights shall be determined by the By-Laws. In voting on matters relating to covering the docks in front of Lots 9 through 17 which affect the view across the basin from those lots, then Lot Owners 9 through 17 shall have 2 votes each on such matters, and Lot Owners 1 through 8 and 18 through 25 and the Condominium Owners shall have .667 votes each on such matters.

ARTICLE V

BOARD OF DIRECTORS

The affairs of the Yacht Club shall be managed by a Board of Directors consisting of not less than three (3) directors. Directors shall be elected or appointed as provided in the By-Laws. The following three (3) persons shall constitute the initial Board of Directors:

Forest R. Knowles
626 Clinton Ave., West
Huntsville, AL 35801

Leon Crawford
3322 South Memorial Parkway
Suite 32-E, Huntsville, AL 35801

Richard E. Dick
601-A Madison Street
Huntsville, AL 35801

ARTICLE VI

OFFICERS

The affairs of the Yacht Club shall be administered by the officers designated in accordance with the By-Laws. The names and addresses of the officers who shall serve until the election or appointment of their successors in accordance with the By-Laws are as follows:

Forest R. Knowles
President
626 Clinton Ave., West
Huntsville, AL 35801

Leon Crawford
Vice-President
3322 South Memorial Pkwy
Suite 32-E
Huntsville, AL 35801

Richard E. Dick
Secretary/Treasurer
601-A Madison Street
Huntsville, AL 35801

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

The Yacht Club shall indemnify its directors, officers and committee members and may indemnify its employees and agents, to the fullest extent permitted by the provisions of the Alabama Nonprofit Corporation Act, as amended and supplemented, from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters referred to in or covered by said provisions, including, but not limited to the advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of members or disinterested director, officers or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, committee member, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person and adjudication of liability shall not affect the right to indemnification for those indemnified. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer, director or committee member of the Yacht Club may be entitled.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator of the Yacht Club is: Forest R. Knowles
626 Clinton Ave., West
Huntsville, AL 35801

ARTICLE IX

CONSTRUCTION

In the event of any conflict between the terms of the Articles of Incorporation, By-Laws or the Yacht Club Rules and Regulations, the following order of priority shall apply: the Articles of Incorporation, the By-Laws and the Yacht Club Rules and Regulations. The By-Laws of the Yacht Club may be adopted, amended, altered or rescinded as provided therein; provided, however, that at no time shall the By-Laws conflict with these Articles of Incorporation.

ARTICLE X

REGISTERED AGENT AND REGISTERED OFFICE

The name of the initial registered agent shall be Forest R. Knowles and the street address of the registered office of the Yacht Club shall be 626 Clinton Ave. West, Huntsville, AL 35801.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 28 day of December, 2000.

INCORPORATOR Forest R. Knowles

STATE OF ALABAMA COUNTY OF MADISON

I, the undersigned, a Notary Public in and for said County and State, hereby certify that the above signed incorporator, who is known to me, appeared before me, and subscribed his name, on the date set forth above.

Notary Public
My Commission Expires: _____

This instrument prepared by:

Richard E. Dick, P.C.
601 Madison Street
Huntsville, AL 35801
(256) 564-7317