

State of Alabama
Jefferson County

CERTIFICATE OF INCORPORATION

OF

THE PRESERVE OWNERS ASSOCIATION INC

The undersigned, as Judge of Probate of Jefferson County,
State of Alabama, hereby certifies that Articles of

INCORPORATION

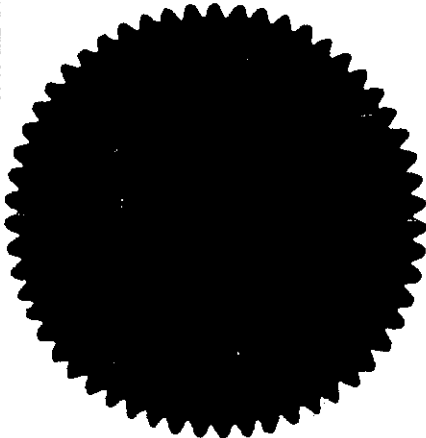
duly signed and verified pursuant to the provisions of Alabama
NONPROFIT Corporation Act, have been received in this office
and are found to conform to law.

Accordingly the undersigned, as such Judge of Probate, and by
virtue of the authority vested in him by law, hereby, issues this
Certificate of INCORPORATION

of THE PRESERVE OWNERS ASSOCIATION INC

and attaches hereto a copy of the Articles of
INCORPORATION

Given Under My Hand and Official Seal on this the 15TH
day of NOVEMBER, 1901.



Michael Bolin

Judge of Probate



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**ARTICLES OF INCORPORATION
OF
THE PRESERVE OWNER'S ASSOCIATION, INC.
(a corporation not for profit)**

TO THE JUDGE OF PROBATE OF JEFFERSON COUNTY, ALABAMA:

This is to certify that, for the purpose of forming a corporation pursuant to the provisions of the "Alabama Nonprofit Corporation Act" [1975 Code of Alabama Section 10-3A-1, et seq.], the undersigned do hereby make and file the following Articles of Incorporation.

**ARTICLE I
NAME**

The name of the corporation shall be:

"THE PRESERVE OWNER'S ASSOCIATION, INC."

The corporation is sometimes referred to herein as the "Corporation" or the "Association".

**ARTICLE II
DEFINITIONS**

- 2.1 **Association:** The Preserve Owner's Association, Inc., its successors and assigns.
- 2.2 **Association Land:** That part of The Preserve Property which may at any time hereafter be owned by the Association so long as the Association or successor thereof may be the owner or lessee thereof.
- 2.3 **Board:** The Board of Directors of the Association.
- 2.4 **By-Laws:** The duly enacted By-Laws of the Association.
- 2.5 **Commercial Parcel.** Any Parcel which is restricted for commercial uses or developed in a manner which allows commercial uses.
- 2.6 **Declaration:** The Declaration of Protective Covenants of The Preserve applicable to Member's Property which shall be recorded in the Probate Records of Jefferson County, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.
- 2.7 **Deed:** Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of the Preserve Property subjected to the Declaration.
- 2.8 **Developer:** United States Steel, LLC, a Delaware limited liability company, its successors and assigns.
- 2.9 **Member.** A person or other entity who is a record owner of Member's Property, or, if such a class of membership is created by the Board, a non-voting member of the POA which may or may not be a record owner of Member's Property.

- 2.10 **Member's Property, Property or Subject Property.** That portion of The Preserve Property which shall have been submitted to the Declaration for the purpose of creating a lien for assessments in favor of the Association. The term shall include each such new parcel of land at the time that the same is subjected to the Declaration as aforesaid.
- 2.11 **Open Spaces or Common Areas.** The Preserve Property which is conveyed to the Association by the owners or Developers of The Preserve or a part thereof and which is designated as an open space or area.
- 2.12 **Owner:** The owner of Member's Property.
- 2.13 **Parcel.** Any unit, Parcel, part or parcel of The Preserve Property which is subjected to the Declaration. Unless the context requires otherwise, the term "Parcel" shall include "Commercial Parcels".
- 2.14 **Property, Member's Property or Subject Property.** That portion of The Preserve Property which shall have been submitted to the Declaration for the purpose of creating a lien for assessments in favor of Association. The term shall include each such new parcel of land at the time that the same is subjected to the Declaration as aforesaid.
- 2.15 **Resident:** Any person or persons occupying or leasing Member's Property. A resident may or may not be an Owner.
- 2.16 **The Preserve or Preserve Property.** The property described as The Preserve in the Declaration and other property which may be acquired by Developer and developed as a part of The Preserve. That part of The Preserve subjected to the Declaration is referred to as "Property", "Subject Property", or "Member's Property".
- 2.17 **The Preserve Club.** The recreation club operated by the Association which may provide recreation amenities to Residents of The Preserve and to other persons as permitted by the Association.
- 2.18 **The Preserve Club Property.** Any property (real or personal) owned, leased or operated by the Association for the benefit of Residents of The Preserve and such other persons as permitted by the Association.

ARTICLE III PRINCIPAL OFFICE AND AGENT

The initial registered office of the Association shall be USX Realty Development, 6200 E.J. Oliver Boulevard, Suite 183-C, Fairfield, Alabama 35064 (P.O. Box 599, Fairfield, Alabama 35064) The registered agent of the Corporation shall be Thomas G. Howard.

**ARTICLE IV
OBJECTS, PURPOSES AND POWERS**

- 4.1 This Association shall be a corporation not for profit organized for non-profitable purposes and activities and no part of its net earnings shall inure to the benefit of any private shareholder or member of the Association.
- 4.2 The objects and purposes for which this Corporation is organized are as follows:
- 4.2.1 To establish, maintain, operate and provide all community services of every kind and nature required or desired by the owners of the Property which shall be made subject to the jurisdiction of the Association by the Declaration or any supplemental declaration thereto, or other declaration, deed or instrument.
- 4.2.2 To own, acquire, build, operate, and maintain The Preserve Club, recreation parks, playgrounds, tennis courts, swimming pools, clubhouses, roads and roadways, sidewalks, walking trails, subdivision entrance features, gates and guard houses, fences and walls, signs, common drives and footways, including buildings, structures, and personal properties incident thereto, which property shall be held as "Association Land"; supplement municipal and other governmental services; fix assessments to be levied against the Member's Property and the owners' of such Member's Property; enforce any and all covenants, restrictions and agreements applicable to the Association Land or to Member's Property; and pay taxes, if any, on the Association Land; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Members.
- 4.2.3 To present a unified effort to the Members in protecting the value of the Property of Members;
- 4.2.4 To own, operate and manage the Association Land; to perform and carry out the acts and duties incident to the administration, operation and management of the Association Land, The Preserve Club and Open Spaces in accordance with the terms, provisions, and conditions contained in these Articles of Incorporation and the Declaration; to borrow funds on such terms as the Association deems appropriate to carry out the rights, powers and obligations hereof; and to own, operate, lease, sell, mortgage, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient, including, without limitation, to convey or dedicate any of the Association Land to a governmental entity.
- 4.2.5 To provide for any or all projects, services, facilities, studies, programs, systems and properties relating to: subdivision entrance features, gates and guard houses, and guard and security services; streets, roads, highways, walkways, curbing, gutters, sidewalks, trees, flowers and landscaping, fountains, benches, shelters, directional and informational signs, walkways and bridges, and street, road and highway lighting facilities; traffic engineering programs and parking facilities; parks, playgrounds, tennis courts, swimming pools, and other related or unrelated recreational facilities; and any and all other improvements, utilities, facilities and services that the Board

shall find to be necessary, desirable or beneficial to the interest of the Property, Members and Residents of the Preserve.

- 4.2.6 To do such other things as may be necessary and proper for the carrying out and accomplishment of the above objects and purposes and of such other objects and purposes as are deemed necessary and proper by its Board. The objects and purposes expressed herein relate to services, benefits and expenditures pertaining to, derived from, or in connection with The Preserve or areas thereof intended for and available for the common use and enjoyment or need of the Members.
- 4.3 In furtherance of the aforesaid objects, purposes and powers, the Association shall have and exercise all of the powers of a Corporation Not for Profit organized and existing under the laws of the State of Alabama and all the powers reasonably necessary to implement the powers of the Association, which powers shall include but are not limited to, the power:
 - 4.3.1 To make, levy and collect assessments and annual, monthly, quarterly or semi-annual maintenance charges from its Members and to expend the proceeds of such assessments and charges for the benefit of its Members.
 - 4.3.2 To contract with others to provide the services, benefits and advantages desired.
 - 4.3.3 To enforce by legal action suits on behalf of the Association.
 - 4.3.4 To make, establish and enforce reasonable rules and regulations governing the use of the Association Land.
 - 4.3.5 To maintain, repair, replace and operate those portions of the Property that the Association has the duty or right to maintain, repair, replace and operate under these Articles and the By-Laws of the Association.
 - 4.3.6 To contract for the management of the Property and to delegate to such contractors all or a part of the powers and duties of the Association.
 - 4.3.7 To employ personnel to perform the services required or authorized by these Articles, the Declaration and by the By-Laws of the Association.
 - 4.3.8 To purchase insurance upon and for the protection of the Association Land, the Board of Directors and the Officers of the Association.
 - 4.3.9 To reconstruct improvements constructed on the real property after casualty or other loss.
 - 4.3.10 To make additional improvements on and to the Association Land.
 - 4.3.11 To acquire and enter into agreements whereby it acquires leaseholds, memberships or other possessory or use interests in lands or facilities including but not limited to lakes and other recreational facilities, whether or not contiguous.

4.3.12 To borrow funds on such terms as the Association deems appropriate to carry out the rights, powers and obligations hereof, and to own, operate, lease, sell, mortgage, trade and otherwise deal with the Association Land.

4.3.13 To enforce by legal action the provisions of these Articles, the By-Laws and the Declaration.

ARTICLE V MEMBERS

5.1 The Members of this Association shall consist of all record owners of Member's Property, but shall not include mortgagees or other holders of security interests only, and the Developer as set forth herein. No person other than the Developer of The Preserve or designees of such Developer, who does not own real property in The Preserve may be a Member of the Association; provided, that non-voting members who do not own a Parcel in The Preserve shall be allowed as set forth herein. Fees, dues, assessments and charges required of Members shall be set in the manner prescribed by the By-Laws of the Association and in the Declaration.

5.2 Membership in this Association cannot be assigned, hypothecated or transferred in any manner except as may be provided in the By-Laws.

5.3 The Association shall have two classes of voting membership: Class A and Class B.

Class A Members shall be all persons owning one or more Parcels (including Commercial Parcels) constituting Member's Property, excepting those persons (or other entities) who are Class B Members.

Class B Members shall be the Developer, and any successor in ownership to all or part of the Developer's interest in The Preserve. The Class B membership shall terminate and the then Class B members shall become Class A members at such time as (a) all the then Class B members so designate in a writing delivered to the Association, or (b) at such time as the Developer no longer owns any of The Preserve Property or any Parcel.

Each Class B Member shall have one vote for each Parcel (in The Preserve) and tract (within The Preserve Property) owned by such Member. When entitled to vote, each Class A Member shall have one vote for each Parcel owned by such Member. With respect to any Parcel owned by more than one person or entity, the owners of such Parcel shall have but one (1) vote among themselves to cast for such Parcel.

Until December 31, 2010, or such earlier time as the Class B membership may terminate as provided herein, the Class B members shall be vested with the sole voting rights in the Association, except on such matters as to which the Declaration, these Articles of Incorporation, or the By-Laws specifically require a vote of each and every class of membership, or except as required by law.

5.4 The By-Laws of the Association may provide from time to time for other non-voting members of the Association who do not own a Parcel in The Preserve. Such other non-

voting members may include, as determined by the Board, and without limitation, non-voting memberships whose rights are limited to use of The Preserve Club Facilities on a daily, weekly, monthly or other time period. Fees for non-voting memberships shall be set from time to time for the Board and such non-voting memberships shall not be subject to the Annual Charge under Article IX of the Declaration or the Preserve Club Initiation Fee.

ARTICLE VI TERM

This Association shall exist perpetually.

ARTICLE VII SUBSCRIBER

The name and residence of the incorporator of the Corporation is as follows:

Thomas G. Howard	USX Realty Development 6200 E.J. Oliver Boulevard, Suite 183-C P.O. Box 599 (35064) Fairfield, Alabama 35064
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ARTICLE VIII BOARD OF DIRECTORS

The business and affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than ten (10) Directors. The first Board of Directors shall consist of three (3) Directors selected by the Class B Members. All Directors shall be Members of the Association; provided, that the first Board of Directors named in these Articles of Incorporation, and other Directors selected by Class B Members, shall not be required to own real property in The Preserve, or otherwise be Members of the Association. Change in the maximum number of Directors shall be permitted by amendment to the By-Laws of the Association or by amendment to the Articles of Incorporation. The Board of Directors shall be elected by the Members of the Association entitled to vote. The names and addresses of the first Board of Directors who shall hold office until December 31, 2012, or until all the then Class B members so designate in a writing delivered to the Association whichever shall first occur, and thereafter until their successors are elected and have qualified, are as follows:

Class I.	Thomas G. Howard	USX Realty Development 6200 E.J. Oliver Boulevard, Suite 183-C P.O. Box 599 (35064) Fairfield, Alabama 35064
Class II.	Jan W. Waid	USX Realty Development 6200 E.J. Oliver Boulevard, Suite 183-C P.O. Box 599 (35064) Fairfield, Alabama 35064

Class II. Jeffrey W. Boyd

USX Realty Development
6200 E.J. Oliver Boulevard, Suite 183-C
P.O. Box 599 (35064)
Fairfield, Alabama 35064

Provided however, that at a time no later than December 31, 2010, the number of Directors shall be increased to five (5), two (2) of whom shall be new Class II Directors elected by Class A Members, and the other three (3) of whom shall be Directors elected by Class B Members. Upon the termination of the Class B Membership, the Class A Members shall elect all of the Directors; provided, that so long as the Developer owns any of The Preserve Property, the Developer shall be entitled to elect one Director.

Subsequent to December 31, 2010, or when all of the then Class B members so designate in a writing delivered to the Association, whichever shall first occur, all Directors shall be elected for terms of three (3) years with staggered terms.

The Directors of the Association shall be elected at the time and in the manner provided for in the By-Laws.

Among other things, the Board of Directors shall have authority to make and alter By-Laws and the further authority to exercise all such other powers and to do all such other lawful acts and things which this Association, or its Members might do, unless prohibited from doing so by applicable laws, or the Articles of Incorporation, or by the By-Laws of this Association.

ARTICLE IX OFFICERS

The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. The officers of the Association shall be elected by the Board of Directors of the Association in accordance with the provisions of the By-Laws of the Association. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

ARTICLE X INDEMNIFICATION

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him 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, or any settlement thereof, 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 for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

**ARTICLE XI
DISPOSITION OF ASSETS UPON DISSOLUTION**

No Member, Director or officer of the Association or other private individual shall be entitled to share in the distribution of any of the Association assets upon dissolution of the Association. Unless agreed to the contrary by seventy-five percent (75%) of each and every class of membership, upon dissolution of the Association, the assets of the Association shall be granted, conveyed and assigned to an appropriate public body, agency or agencies, utility or utilities or any one or more of them or to any one or more non-profit corporations, associations, trusts or other organizations to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No disposition of the Association's assets shall be effective to divest or diminish any right or title of any Member vested in him under recorded covenants and restrictions applicable to such assets unless made in accordance with the provisions of such covenants and restrictions.

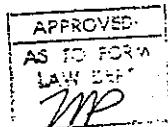
**ARTICLE XII
AMENDMENT OF ARTICLES**


These Articles may be amended by an affirmative vote of two-thirds (2/3) of the Members of the Association entitled to vote; provided, that so long as there are Class B Members, no such amendment shall modify or diminish the rights of the Class B Members without their written consent; and provided, further, that no such amendment shall modify or diminish the rights specifically granted to the Developer in Article VIII to elect one Director so long as Developer owns any of The Preserve Property or any Parcel.

**ARTICLE XIII
BY-LAWS**

The Association shall adopt By-Laws governing the conduct of the affairs of the Association. The By-Laws shall be altered, amended, or rescinded as provided in the By-Laws.

IN WITNESS WHEREOF, the subscribing incorporator has hereunto set his hand and seal and caused these Articles of Incorporation to be executed this 15th day of November, 2001.





Thomas G. Howard

STATE OF ALABAMA

COUNTY OF JEFFERSON

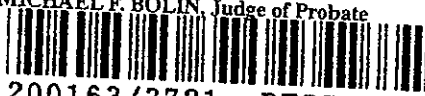
Before me, the undersigned Notary Public, in and for said County and State, personally appeared **Thomas G. Howard**, who is known to me and who, after first being duly sworn, deposed under oath and said that the foregoing Articles of Incorporation were prepared under his direction and that he has knowledge of and was informed of the facts stated therein, that said facts are true, and that he executed the same freely and voluntarily and for the purposes stated therein.

Given under my hand and official seal, this the 15th day of November, 2001.

Michael W. Paster
Notary Public

My Commission expires: 2-25-2005

THIS INSTRUMENT PREPARED BY:
Randolph H. Lanier
BALCH & BINGHAM LLP
1901 Sixth Avenue North, Suite 2600
Birmingham, Alabama 35203

State of Alabama - Jefferson County
I certify this instrument filed on:
2001 NOV 15 P.M. 13:38
Recorded and \$ _____ Mtg. Tax
and \$ 26.00 Deed Tax and Fee Amt. 26.00
Total \$ 26.00
MICHAEL F. BOLIN, Judge of Probate

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