

STATE OF ALABAMA)
BALDWIN COUNTY)

BYLAWS
OF
LIVE OAK VILLAGE MASTER ASSOCIATION, INC.

State of Alabama, Baldwin County
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Instrument Number 506010 Pages 17
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Adrian T. Johns, Judge of Probate

I. Identity. These are the Bylaws of:

Live Oak Village Master Association, Inc., a non-profit incorporated association under the provisions of the Alabama Non-Profit Corporation Act (Title 10, Chapter 3A, Code of Alabama, 1975). Live Oak Village Master Association, Inc. is herein referred to as the "Master Association".

A. Office. The office of the Master Association shall be: 25819 Canal Road, Orange Beach, Alabama, 36561, or such other place as may be fixed by the Board of Directors.

B. Agent. Agent for service of process shall be Doug Warren, 25819 Canal Road, Orange Beach, Alabama, 36561.

C. Identification of Developer of Live Oak Village. CHS Properties, Inc., an Alabama corporation, is the developer (the "Developer") of a proposed planned unit development for multiple uses including single family residential, multi-family residential, condominiums, commercial development, apartment development, parking facilities, open spaces, landscaping, recreational facilities, private streets and roadways and other common areas, all to be known as Live Oak Village and all of which may be developed on the Live Oak Village lands described in Exhibit "A".

D. Incorporation by Reference. All of the terms, provisions, definitions, covenants and conditions set forth in the Master Declaration of Covenants, Conditions and Restrictions for Live Oak Village (hereinafter referred to as "Live Oak Village Covenants" or "Covenants") are hereby expressly incorporated herein by reference as if fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth herein in these Bylaws and the Covenants, then the provisions of the Covenants shall at all times control. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants and conditions set forth herein in these Bylaws and the Articles of Incorporation of Live Oak Village Master Association, Inc. ("Articles"), then the provisions of the Articles shall at all times control.

II. Members.

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A. Qualification. The members of the Master Association shall consist of (i) the owners of each Residential Lot, Condominium Lot, Apartment Lot, Commercial Lot or Condominium Unit contained in recorded plats of Live Oak Village, and (ii) CHS Properties, Inc., an Alabama corporation (the "Developer") for so long as the Developer owns any condominium unit, lot, dwelling, or any other portion of the Development or until such earlier date as the Developer, in its sole discretion, may otherwise elect. Notwithstanding anything provided herein or in the Articles of Incorporation of Live Oak Village Master Association, Inc. to the contrary, any declaration of condominium or bylaws to the contrary (for condominiums now or hereafter established within the Live Oak Village Lands), or any landowners' association articles of incorporation or bylaws to the contrary (for subdivisions now or hereafter established within the Live Oak Village Lands), until January 1, 2020, or until such earlier date which Developer, in its sole discretion, may otherwise elect, Developer shall have the sole and exclusive right to (i) elect the Board of Directors of the Master Association; (ii) appoint the officers of the Master Association and members of the Design and Review Board ("DRB") as defined in the Covenants; (iii) remove and replace any member of the Board of Directors of the Master Association, any officer of the Master Association or any member of the DRB; (iv) amend the Articles of Incorporation and these Master Association Bylaws; and (v) take all other action on behalf of the Master Association and vote on all other matters required to be voted on or approved by the members of the Master Association. At such time as Developer ceases to exercise control over the Master Association, the members of the Master Association shall be entitled to vote on all of the foregoing matters subject to any restrictions set forth in the Covenants. The voting rights of any member of the Master Association may be limited and suspended in accordance with the provisions of the Covenants.

B. Change of Membership. After receiving the approval of the Master Association elsewhere required, change of membership in the Master Association shall be established by recording in the Office of the Judge of Probate of Baldwin County, Alabama, a deed or other instrument establishing a record title to a unit, lot or home within Live Oak Village (the "Record Property") and the delivery to the Master Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Master Association (the "Record Property Owner"). The membership of the prior Record Property Owner shall be thereby terminated, provided he is not an owner of other Record Properties in Live Oak Village. Any change in ownership shall be subject to the relevant Live Oak Village documents, including, but not limited to, the Live Oak Village Covenants.

C. Voting Rights. Subject to the rights reserved to Developer in the Articles of Incorporation or in these Bylaws (which, among other things, provide that only Developer, until January 1, 2020, or until such earlier date as Developer may elect, in Developer's sole discretion, shall be exclusively entitled to take various actions and vote on all matters to be voted on by the members of the Association) and the rights of the

Association to suspend any Owner's voting rights or privileges in the Association pursuant to Section 12.1 of the Covenants, Voting Rights of all Owners of residential, apartment, or commercial lots within the property shall be as follows: (i) each Owner, including the Developer, of an Improved Residential Lot, shall be entitled to one vote in any matter submitted to members of the Association for approval. No Owner of an Improved Residential Lot or Condominium Unit, whether one or more persons, shall have more than one vote. The Owner of each Improved Residential Lot shall be entitled to one vote in any matters submitted to the members of the Master Association for approval. No Owner, whether one or more persons, shall have more than one membership and one vote per Residential Lot. Such voting rights shall continue to apply to each Improved Residential Lot upon the addition of any of the Additional Property to the Covenants. (ii) Each Owner of an Improved Apartment Lot shall have one vote for each 2,000 square feet of living space within an Apartment Unit. (iii) Each Owner of any Improved Commercial Lot shall have one vote for each 2,000 square feet of Improved Commercial Space. (iv) Should a Condominium be built and dedicated on Additional Property, each Owner of a Condominium Unit shall be entitled to one vote in any matter submitted to members of the Association for approval. In no event, whether as a result of there being multiple ownership interests in any Improved Residential Lot or Condominium Unit or otherwise, shall more than one vote be allowed for any one Improved Residential Lot or Condominium Unit. Fractional voting shall not be permitted. Each Owner by acceptance of deed or other public conveyance to a Residential Lot, and Apartment Lot, a Commercial Lot, or Condominium Unit consents and agrees to the dilution of his or her voting interest in the Association by virtue of the resubdivision of any Lot by Developer pursuant to the Covenants, and the submission of any Additional Property to the terms of the Covenants.

D. Designation of Voting Representative. If a Record Property is owned by one person, his right to vote shall be established by the record title to such Record Property. If a Record Property is owned by more than one person, the person entitled to cast the vote for such Record Property shall be designated by a certificate signed by all of the record owners of the Record Property and filed with the Secretary-Treasurer of the Master Association. If a Record Property is owned by a corporation, professional association or partnership, the person entitled to cast the vote for the Record Property shall be designated by a certificate of appointment filed with the Secretary-Treasurer of the Master Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Record Property concerned. A certificate designating the person entitled to cast the vote of a Record Property may be revoked by any owner thereof by filing with the Secretary/Treasurer of the Master Association a new certificate signed by all of the record owners of the Record Property. The granting of a mortgage on a Record Property by its owner(s) shall be construed as conferring upon the mortgagee a conditional proxy to cast the vote or votes attributable to such at any regular or special meeting of the Master Association. The condition of such proxy shall be notice by such mortgagee to the Master Association, in writing, of its intent to exercise the

conditional proxy rights granted to it, as mortgagee, by the terms of this subparagraph. In the absence of such written notice, the Master Association shall be entitled to recognize the Record Property Owner(s) of mortgaged Record Properties as fully entitled to cast the vote or votes attributable to their Record Property. However, once such written notice is received by the Master Association, the mortgagee's right to cast the vote or votes attributable to that Record Property shall be recognized by the Master Association until the mortgagee withdraws its intent to cast such votes, in writing, or until the mortgage is paid in full and satisfied of record, whichever first occurs.

E. Approval or Disapproval of Matters. Whenever the decision of the Record Property Owner is required upon any matter, whether or not the subject of an Master Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Master Association meeting, unless the joinder of Record Property Owners is specifically required by the Declaration or other Live Oak Village documents.

F. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Master Association cannot be assigned, hypothecated or transferred by an owner in any manner except as an appurtenance to his unit and except as may be provided in any declaration of condominium (for any condominium now or hereafter established within the Live Oak Village Lands).

III. Members Meetings.

A. Annual Members' Meetings. The annual members' meetings shall be held at the office of the Master Association, Orange Beach, Alabama, or such other place as may be fixed by the Board of Directors. Subject to the limitation contained in Paragraph III(B) hereafter, the first annual members meeting will be held on the 5th day of January, 2000, at 1:00 P.M., or such other time as may be fixed by the Board of Directors. Thereafter annual members meetings will be held on the third Friday in December of each year at 1:00 P.M.; provided, however, if the day set for annual meetings is a legal holiday, the meeting shall be held the same hour on the next day following which is not a legal holiday.

B. Change of Date. The time of holding the annual meeting of members may be changed at any time prior to fifteen (15) days before the regular day for holding such meeting by a resolution duly adopted by the Board of Directors or by the members, provided that notice of such change be mailed to each member of record, at such address as appears upon the records of the Master Association, not less than ten (10) days before the holding of such meeting; and further provided that each annual meeting of members shall be held within one (1) month of the date on which it should regularly have been held but for such change.

C. Purpose. The purpose of the annual meeting is for electing directors and of transacting any other business authorized to be transacted by the members. The annual meeting may be waived by a unanimous agreement of the members, in writing.

D. PROVISO. UNTIL THE DEVELOPER HAS ELECTED TO TERMINATE ITS CONTROL OF THE MASTER ASSOCIATION, OR UNTIL JANUARY 1, 2020, WHICHEVER SHALL FIRST OCCUR, THERE SHALL BE NO MEETING OF THE MEMBERS OF THE MASTER ASSOCIATION, UNLESS THE MEETING IS CALLED BY THE BOARD OF DIRECTORS, AND ANY SUCH MEETING CALLED BY THE BOARD OF DIRECTORS WILL BE INFORMATIONAL ONLY, AND MEMBERS WILL NOT BE ENTITLED TO A VOTE ON THE ELECTION OF THE BOARD OF DIRECTORS OR ON ANY OTHER MATTER, UNTIL DEVELOPER HAS RELINQUISHED SUCH CONTROL.

E. Special Members' Meetings. Special Members' Meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and at such time as the Developer has relinquished control of the Master Association, and must be called by such officers upon receipt of a written request from members entitled to cast twenty-five percent (25%) of the votes in the Master Association.

F. Notice. Notice of all Members' Meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice-President or Secretary-Treasurer unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Master Association and shall be mailed not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

G. Voting. Voting shall be as provided in Paragraph 2.C. herein.

H. Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these Bylaws, the term "majority" means fifty-one percent (51%) of the votes of the members.

I. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary-Treasurer before the appointed time of the meeting.

J. Vote Required to Transact Business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is

one upon which, by express provision of the Alabama Nonprofit Corporation Act (Title 10, Chapter 3A, Code of Alabama, 1975) the Bylaws, or any other Live Oak Village document, a different number is required, in which case the express provision shall govern and control the decision in question.

K. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

L. The Order of Business at annual members' meetings and, as far as practical, at all other members' meetings shall be:

1. Call to order.
2. Calling of the roll and certifying of proxies.
3. Proof of notice of meeting or waiver of notice.
4. Reading and disposal of any unapproved minutes.
5. Reports of officers.
6. Reports of committees.
7. Election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

IV. Board of Directors.

A. Membership. The affairs of the Master Association shall be conducted by a Board of Directors consisting initially of six members; however, the same may be increased to nine members by amendment of these Bylaws.

B. Designation and Election of Directors.

1. Initial Directors. The number of Directors constituting the initial Board of Directors shall be six, to be designated solely by the Developer.

2. Election of Directors upon Relinquishment of Control by Developer. Upon Relinquishment of Control by Developer, subsequent Directors shall be elected in the following manner:

- a. Directors shall be elected at the annual meeting of the members of the Association.

b. Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

c. Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided by the election of the removed Director.

3. Term. The term of each subsequent Director's service shall be extended until his successor is duly elected and qualified and until he is removed in the manner elsewhere provided.

4. Organizational Meeting. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary providing a quorum shall be present.

5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the Secretary-Treasurer at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

8. Quorum. A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater

number of Directors is required by these Bylaws or any other Live Oak Village document. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

C. Power and Duties of the Board of Directors.

The Board of Directors shall have the following powers and duties:

1. Those set out in the Articles of Incorporation.
2. To exercise all of the powers of the Association with respect to Live Oak Village as provided in the Live Oak Village Covenants, and the Articles of Incorporation and Bylaws of the Master Association.
3. Adopt and publish Rules and Regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
4. To collect monthly or other periodic assessments from the Record Property Owners, and to render or cause to be rendered statements, when required or useful, of any assessments which remain unpaid by any Record Property Owner.
5. To maintain a class action, and to settle a cause of action, on behalf of Record Property Owners with reference to the common areas, the roof and structural components of a building or other improvement, and mechanical, electrical and plumbing elements serving an improvement or a building; and to bring an action, and to settle the same, on behalf of two (2) or more of the Record Property Owners their respective interests may appear, with respect to any cause of action relating to the common areas; all as the Board deems available.
6. To elect the officers of the Master Association and otherwise exercise the powers regarding officers of the Master Association as set forth in these Bylaws.
7. To determine who shall be authorized to make and sign all instruments on behalf of the Master Association and the Board.

8. To employ a management agent, or manager, including an affiliate of Developer, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in this Section; and such duties so conferred upon the managing agent or manager by the Board of Directors may upon five (5) days notice be revoked, modified or amplified by the majority of the votes of the Directors in a duly constituted meeting.

9. To designate the real estate sales or rental agent or agents authorized to lease or sell units, lots, or homes in Live Oak Village, including designation of an affiliate or affiliates of the Developer.

10. To take appropriate action to enforce the provisions of the Live Oak Village Covenants, the Rules and Regulations, and the Bylaws. In connection with same, the Board is authorized to file or defend appropriate suits or request for arbitration filed under any of said instruments, acts or provided for by the laws of Alabama.

11. To employ attorneys, accountants, and other persons or firms reasonably necessary to carry out the provisions of the Live Oak Village Covenants, the Articles of Incorporation and Bylaws of Live Oak Village Master Association, Inc. and the Rules and Regulations.

D. Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

E. No Compensation. Directors shall serve without compensation, and a Director may not be an employee of the Master Association.

V. Officers.

A. Executive Officers. The Executive Officers of the Master Association shall be a President, who shall be a Director; a Vice-President, who shall be a Director; a Secretary-Treasurer; all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary-Treasurer. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Master Association.

B. Initial Officers. The initial officers of the Master Association shall be Patrick Willingham, President; Doug Warren, Vice-President; and Royce Winborne, Secretary-Treasurer.

C. President. The President shall be the chief executive officer of the Master Association. He shall have all of the powers and duties which are usually vested in the Office of the President of an association including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Master Association....

D. Vice-President. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

E. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Master Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Master Association, and shall perform all other duties incident to the office of the Secretary of an association as may be required by the Directors or the President.

F. Treasurer. The Treasurer shall have custody of all property of the Master Association including funds, securities, and evidences of indebtedness. He shall keep the financial records and books of account of the Master Association in accordance with good accounting practices; shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred; shall keep an account for each unit setting forth any shares of common expenses or other charges, due dates thereof, present balance due for each unit, and any interest in common surplus. The Treasurer shall also perform all other duties incident to the office of Treasurer. The records, books of account, and the vouchers authorizing payments shall be available for examining by a member of the Master Association at convenient hours of week days.

G. Officers Must Be Members. Each officer shall be a member of the Master Association except the initial officers and any subsequent officers designated by Developer.

VI. Fiscal Management.

A. Budget. The Board of Directors shall determine the common expenses of the Master Association and adopt a budget for each calendar year of such estimated common expenses, including a reasonable allowance for contingencies and reserves less the

unnneeded fund balances on hand. Copies of the budget and proposed assessments shall be transmitted to each member not less than twenty (20) days preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member. Delivery of a copy of the budget to each owner shall not affect the liability of any owner for any existing or future assessments.

B. Maintenance and Inspection of Books and Records. The Board of Directors shall maintain and make available for inspection to Record Property Owners, their authorized representative, and to holders, insurers, or guarantors of any first mortgage, current copies of the Bylaws, the Rules and Regulations, the Operating Budget, and other books, records and financial statements of the Master Association. ("Available" means available for inspection upon request during normal business hours or under other reasonable circumstances.)

C. Assessments for Recurring Expenses. Assessments for recurring common expenses shall be made for the calendar year annually in advance, on or before twenty (20) days preceding the year for which the assessments are made. Initially, the assessments shall be payable quarterly by each Record Property Owner. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas which the Master Association may be obligated to maintain, and such maintenance funds reserved may, from time to time, be increased or reduced at the discretion of the Board. The proportionate interest of each Record Property Owner in said funds cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof. Such assessments shall be due in quarterly installments on the first day of each quarter of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred twenty percent (120%) of the assessments for this purpose for the prior year unless approved in writing by Record Property Owners entitled to cast a majority of the votes in the Master Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by Record Property Owners entitled to cast a majority of the votes in the Master Association, and the amended assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Master Association.

D. Assessments for Capital Improvements. Upon written notice to all the Record Property Owners and upon approval in writing by Record Property Owners entitled to cast a majority of the votes in the Master Association, the Board may establish and

maintain one (1) or more capital reserve accounts, by the assessment of and payment by all the Record Property Owners in equal installments of their respective proportionate shares of such reasonable annual amount, for such term of years, as the Board may estimate as needed to cover each Record Property Owner's obligations to provide for specified capital improvements, such as, by way of illustration and not limitation, the purchase of additional property, the paving or repaving of streets and areas, the construction or reconstruction of common areas and the like. Each such capital reserve account shall be earmarked, segregated from other accounts and designated for the specific capital improvement for which the assessment is made, and the funds of each such capital reserve account shall not be commingled with the general assessment funds of the Master Association but shall be deposited in a special account similarly earmarked and designated. The proportionate interest of each Record Property Owner in each such capital reserve account cannot be withdrawn or separately assigned but shall be deemed to be transferred with such unit even though not expressly mentioned or described in the conveyance thereof.

E. Assessments for Emergencies. Assessments for common expenses for emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefor to the Record Property Owners concerned. After such notice and upon approval in writing of more than one-half (1/2) of such Record Property Owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days' notice thereof in such manner as the Board of Directors of the Master Association may require.

F. EXCEPT FOR THE RESTRICTIONS IN PARAGRAPH VI(C) HEREIN, ALL OTHER PROVISIONS NOTWITHSTANDING, ASSESSMENTS FOR INCREASED RECURRING EXPENSES, CAPITAL IMPROVEMENTS AND EMERGENCIES MAY BE MADE BY THE BOARD OF DIRECTORS WITHOUT APPROVAL OF THE RECORD PROPERTY OWNERS UNTIL JANUARY 1, 2020, OR SUCH SOONER TIME AS DEVELOPER MAY RELINQUISH CONTROL OF THE MASTER ASSOCIATION.

G. Acceleration of Assessment Installments upon Default. If a Record Property Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installment of such assessment upon notice thereof to the Record Property Owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the Record Property Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

H. Default.

1. In the event a Record Property Owner does not pay any sums, charges or assessments required to be paid to the Master Association within thirty (30) days from the due date, the Master Association may foreclose the lien encumbering the unit created by nonpayment of the required moneys in the same fashion as mortgage liens are foreclosed; provided that thirty (30) days' prior notice of the intention to foreclose shall be mailed, postage prepaid, to the Record Property Owner and to all persons having a mortgage lien or other interest of record in such unit as shown in the Master Association's record of ownership. The Master Association shall be entitled to the appointment of a Receiver, if it so requests. The Master Association shall have the right to bid in the unit at a foreclosure sale and to acquire, hold, mortgage and convey the same. In any such foreclosure action the lien of the Master Association shall be subordinate and inferior to tax liens in favor of the state, county, any municipality and any special district, and any first mortgage liens of record encumbering such unit at the time of the commencement of the foreclosure action by the Master Association. In lieu of foreclosing its lien, the Master Association may bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the Master Association without waiving its lien securing same. In any action either to foreclose its lien or to recover a money judgment, brought by or on behalf of the Master Association against a Record Property Owner, the losing defendant shall pay the cost thereof together with a reasonable attorney's fee.

2. If the Master 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 moneys remaining after deducting the foregoing items of expense shall be returned to the former owner of the unit in question.

I. Depository. The depository of the Master Association shall be such bank or banks as shall be designated from time to time by the Directors and in which moneys of the Master Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

J. Audit. An audit of the accounts of the Master Association shall be made annually by a certified public accountant, not a member of the Master Association, and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made.

VII. Obligations of the Record Property Owners.

A. Assessments. Every Record Property Owner shall contribute toward the expense of administration, operation, maintenance and improvements of the Common Areas according to the formula set forth in Article 9 of the Live Oak Village Covenants.

B. Use of Record Properties. Every Record Property Owner shall comply strictly with the provisions of the Covenants and any other Live Oak Village document. In the event of the failure of any owner so to do, the Master Association may sue to recover sums due, and/or damages, and/or injunctive relief, and for its costs and expenses therein, including a reasonable attorney's fee.

C. Right of Entry. The manager and any person authorized by the Board of Directors shall have the right to enter each Record Property in case of any emergency originating in or threatening such unit whether or not the owner or occupant is present at the time. Every Record Property Owner and occupant, when so required, shall permit other Record Property Owners or their representative to enter his unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services provided that requests for entry are made in advance.

D. Title. Every Record Property Owner shall promptly cause to be duly recorded in the Office of the Judge of Probate of Baldwin County, Alabama, the deed or other conveyance to him of his unit or other evidence of his title thereto and file such evidence of his title with the Master Association, and the Secretary-Treasurer shall maintain such information in the record of ownership of the Master Association.

E. Mortgagees.

1. Any mortgagee of a Record Property may file a copy of its mortgage with the Master Association, and the Secretary-Treasurer shall maintain such information in the record of ownership of the Master Association. After the filing of the mortgage, the Master Association shall be required to notify the mortgagee of any Record Property Owner who is in default in the expenses for the administration of the Master Association and the mortgagee at its option may pay the delinquent expenses; and the holder of every such mortgage requesting the same shall be entitled to written notification from the Master Association of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the Master Association documents which is not cured within thirty (30) days.

2. Unless all holders of first mortgage liens on units have given their prior written approval, the Master Association shall not be entitled to:

a. Change the pro rata interest or obligation of any Record Property Owner for the purposes of levying assessments and

charges and determining shares of undivided interest in the common areas and proceeds of the project; or

b. Partition or subdivide any Record Property or the common areas of the project.

VIII. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of Master Association meetings when not in conflict with the Alabama Non-Profit Corporation Act or these Bylaws.

IX. Amendments. These Bylaws may be amended as follows:

a. Until January 1, 2020, or until such earlier time which Developer, in its sole discretion, may otherwise elect, these Bylaws may be amended at any time and from time to time by Developer, without the consent or approval of any of the other members of the Master Association.

b. After January 1, 2020, or such earlier time as Developer, in its sole discretion, may otherwise elect, then these Bylaws may be amended, subject to the terms and provisions of the Live Oak Village Covenants by the affirmative vote of at least two-thirds of the total votes of all members of the Master Association. All amendments to the Bylaws become effective only upon being placed of record in the Office of the Judge of Probate, Baldwin County, Alabama.

[END OF PAGE]

The foregoing are adopted as the Bylaws of the LIVE OAK VILLAGE MASTER ASSOCIATION, INC., at the first meeting of the Board of Directors, held on the 1st day of July, 1999.

IN WITNESS WHEREOF, LIVE OAK VILLAGE MASTER ASSOCIATION, INC., a corporation not for profit, has caused these Bylaws to be executed by Doug Leaver, its duly authorized Vice President and the corporate seal of said Corporation to be hereunto affixed and attested by Royce Winborn, its duly authorized Secretary-Treasurer this 16th day of August, 1999.

LIVE OAK VILLAGE MASTER
ASSOCIATION, INC., a corporation not for profit

By: Doug Leaver
VICE-PRESIDENT
Its Vice President

ATTEST:

By: Royce T. Winborn

Its Secretary-Treasurer

THIS INSTRUMENT PREPARED BY:

Samuel Kaufman
Kaufman & Rothfeder, P.C.
P. O. Drawer 4540 (2740 Zaida Road)
Montgomery, Alabama 36103-4540
CAWINDOWSYTEMP\Bylaws.Master.2.wpd
August 10, 1999 (9:47AM)

EXHIBIT "A"

TO BYLAWS

OF LIVE OAK VILLAGE MASTER ASSOCIATION, INC.

Description of Live Oak Village Lands

The Southwest Quarter of Section 17, Township 7 South, Range 4 East, located at the Southeast intersection of City Street and Highway 24, less and except any portion thereof heretofore conveyed to the City of Foley and any portion lying within any recorded right of way or roadway, more particularly described as follows:

Commencing at the Northwest corner of the Southwest Quarter of Section 17, Township 7 South, Range 4 East, Baldwin County, Alabama; thence run South 00 degrees, 03 minutes, 37 seconds, East, along the West line of said Section 17, 40.00 feet to a point on the South right of way of Baldwin County Highway No. 24; thence run North 89 degrees, 42 minutes, 38 seconds, East along said right of way, 152.85 feet to the point of beginning of the property herein described; thence continue North 89 degrees, 42 minutes, 38 seconds, East, along said South right of way of Baldwin County Highway No. 24, 2483.88 feet to a point where said South right of way intersects the West right of way of Cedar Street; thence run South 00 degrees, 02 minutes, 55 seconds, West along the West right of way of Cedar Street, 2574.84 feet to a point where said West right of way intersects the North right of way of Peachtree Avenue; thence run North 89 degrees, 58 minutes, 08 seconds, West, along the North right of way of Peachtree Avenue, 2533.99 feet to the East boundary of the City of Foley "Airport Property;" thence run North 00 degrees, 03 minutes, East, 1319.88 feet; thence run North 02 degrees, 56 minutes, 01 seconds, East, 1001.50 feet; thence run North 00 degrees, 01 minutes, 01 seconds, West, 240.85 feet to the Point of Beginning, containing 148.5 acres, more or less.

