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OF  
WALKER KEY, A CONDOMINIUM

State of Alabama, Baldwin County  
I certify this instrument was filed  
and taxes collected on:

1999 March -17 4:12PM  
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STATE OF ALABAMA  
COUNTY OF BALDWIN

DECLARATION OF CONDOMINIUM  
OF  
WALKER KEY, A CONDOMINIUM

This Declaration of Condominium of Walker Key, a condominium (The "Declaration") is made this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, by WALKER KEY, L.L.C., an Alabama Limited Liability Company and WALKER COURT, L.L.C., an Alabama Limited Liability Company, (collectively the "Developer"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, Code of Alabama 1975, Section 35-8A-101 et seq. (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land.

ARTICLE I

SUBMISSION OF PROPERTY AND DEFINED TERMS

1.01 Submission of Property. The Developer is the owner of certain real property located in Baldwin County, Alabama, more particularly described on Exhibit "A", attached hereto and made a part hereof for all purposes, (the "Property" or "Condominium Property") on which is located certain buildings and other improvements.

It is the desire and intention of the Developer, by recording this Declaration, to submit the property, together with all improvements, easements, rights and appurtenances thereto belonging, to the Act and create with respect to the Property, a condominium to be known as WALKER KEY, A CONDOMINIUM (the "Condominium") and to impose upon the Property mutually beneficial restrictions under a general plan for the benefit of all of the Condominium Units and the Owners thereof.

The Developer, upon recording this Declaration, does submit the Property, together with the improvements thereon, owned by the Developer, in fee simple absolute, to the provisions of the Alabama Uniform Condominium Act of 1991, (Code of Alabama 1975, Section 35-8A-101 et seq.) to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division thereof into condominium ownership and all of which shall run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title or interest in the Property or any part thereof, and shall be for the benefit of each Owner of any portion of said Property or any interest therein, and shall inure to the benefit of and be binding upon each successor-in-interest to the Owners thereof.

The Developer proposes to develop the Property in two phases with Phase I consisting of five building with twenty-five (25) Townhouse Units and eighteen (18) Ground Units and Phase II, which "NEED NOT BE BUILT", will consist of no more than thirty-two (32) Units. The Developer expressly reserves the right, in accordance with Code of Alabama, 1975, Section 35-8A-210 and this Declaration, to withdraw the Property described on Exhibit "G" from the Condominium form of ownership, for a period of ten (10) years from the date of recordation of this Declaration.

1.02 Definitions. Certain terms as used in this Declaration shall be defined as follows, unless the context indicates a different meaning therefor, and shall be consistent with the meanings stated in the Act:

(A) "Act" shall mean the Alabama Uniform Condominium Act of 1991, Code of Alabama 1975, Section 35-8A-101 et seq., as the same may be amended from time to time.

(B) "Association" shall mean Walker Key Condominium Association, Inc., a nonprofit corporation organized pursuant to the Alabama Nonprofit Corporation Act, Code of Alabama 1975, Section 10-3A-1 et seq.

(C) "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected pursuant to the By-laws of the Association.

(D) "Boat Slip" or "Boat Slips" shall mean and refer to the Boat Slips or Boat Slips as described in Section \*\*\*\*\* herein, and is a Limited Common Element.

(E) "By-laws" shall mean the By-laws of the Association, a copy of which is attached hereto as Exhibit "B" and made a part hereof for all purposes, providing for the self-government of the Condominium Property by the Association.

(F) "Common Elements or Common Areas" shall mean:

(1) all portions of the Condominium Property other than the Private Elements which are held or designed for the use and enjoyment of the Owners and shall include, but not be limited to, the following:

(a) the Land'

(b) the foundations and footings, load bearing walls, perimetrical walls, structural slabs, columns, beams and supports;

(c) the roofs, lobbies, mechanical equipment, and storage areas designed as common, ramps, handrails, sidewalks, stairways and entrances and exits or communication ways;

(d) the compartments or installations of central services such as central air conditioning, ventilation, heating, power, light, electricity, telephone and television cable, gas, fire protection, security, cold and hot water, plumbing, reservoirs, water tanks and pumps, storm drains, sewer lines, flues, trash chutes, incinerators and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use in the Private Elements;

(e) the premises and facilities, if any, used for the maintenance or repair of the Property;

(f) all common recreational facilities such as the swimming pool and grounds, tennis court, gazebo, sun decks, yards and walkways, piers, bulkheads, pilings, docking facilities;

(g) sidewalk, boardwalk, lawn areas, landscaping, trees, curbs, roads, walkways, lobbies, elevators, streets and parking lots;

(h) all easements, rights or appurtenances affecting or relating to the use of the Condominium Property unless specifically included in any Unit;

(i) all other elements (other than Private Elements) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property; and

(j) furniture, appliances, equipment and any other personal property transferred or assigned by the Developer to the Association or from time to time owned or leased by the Association and held for use in common by the Owners.

(G) "Common Expenses" shall mean the expenses arising out of the operations and ownership of the Common Elements and Limited Common Areas and shall include, but not be limited to, expenses of administration of the Common Elements of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and Limited Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; any expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(H) "Common Surplus" shall mean the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Expenses.

(I) "Condominium Documents" shall mean this Declaration and all exhibits hereto, the Rules and Regulations, the By-laws and the Articles of Incorporation of the Association, and the Plats and Plans as the same may be amended from time to time.

(J) "Covenants" shall mean and refer to the Declaration of Condominium of Walker Key, and all amendments thereto.

(K) "Declaration of Condominium" or "Declaration" shall mean this Declaration of Condominium of Walker Key, a condominium, as the same may be amended from time to time.

(L) "Design Code" shall mean the standards prepared, issued and amended from time to time by the DRB pursuant to Section 5.4 below for the purpose of reviewing and approving all exterior improvements, landscaping and other Improvements that may be made to any Lot, Dwelling or Common Area.

(M) "Developer" or "Declarant" shall mean Walker Key, L.L.C., an Alabama Limited Liability Company and Walker Court, L.L.C., an Alabama Limited Liability Company and its successors and assigns, other than an Owner, who shall receive by assignment from Walker Key, L.L.C. all, or a portion of its rights hereunder as the Developer, by an instrument expressly assigning such rights as the Developer to such assignee.

(N) "Development Rights" shall have the same meaning as is defined in the Act and as set forth in the Declaration.

(O) "DRB" shall mean the Design Review Board appointed pursuant to Section 5.2 hereof with the rights and obligations conferred upon such Design Review Board pursuant to these Covenants.

(P) "Dwelling" shall mean and refer to any improved Ground Unit intended for use as single-family detached residential housing. The "Dwelling" or "Dwellings" in those instances shall include the Unit or Units upon which such Dwelling is constructed.

(Q) "Governmental Authority" shall mean any and all city, county, state and federal governmental or quasi-governmental agencies, bureaus, departments, divisions or regulatory authorities having jurisdiction over any portion of the Property.

(R) "Improvement" shall mean and refer to all Dwellings, any building, structure, planting or device constructed, erected or place upon any Ground Unit that in any way affects the exterior appearance of any Ground Unit or Dwelling or Common Area. Improvements shall include, by way of illustration and not limitation, buildings, sheds, foundations, covered patios, helipads, underground utilities, driveways, garages, walkways, paving, curbing, parking areas, trees, shrubbery, landscaping, fences, screening, walls, signs, satellite dishes, radio or



television antennas, and any other artificial or man-made changes or alterations to the natural conditions of any Ground Unit or Dwelling. "Improvements" shall also mean any grading and any excavation or fill.

(S) "Institutional Mortgagee" shall mean and refer to (a) any federal or state chartered bank, trust company, life insurance company, federal or state savings and loan association, real estate investment trust or other recognized lending institution that normally and customarily engages in the business of making Mortgage loans, (b) any institutional or governmental purchaser of Mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, and (c) any pension or profit-sharing trust that makes Mortgage loans or that purchases Mortgage loans in the secondary market, that holds a first Mortgage on any Unit that has been duly and properly recorded in the Probate Office of Baldwin County, Alabama.

(T) "Land" shall mean the parcel or tract of real estate described in Exhibit "A" to this Declaration, submitted to the provisions of the Declaration and the Act.

(U) "Limited Common Elements or Limited Common Areas" shall mean and include any area designated by this Declaration, including the Plats and Plans, as Limited Common Elements on the Plan and any amendment to the Plan and any areas defined in the act as Limited Common Areas for the Exclusive use of one or more, but fewer than all of the Units. The Limited Common Elements shall include, among any other property so designated, balconies or terraces, Boat Slips, Parking Spaces, wires, conduits, bearing walls, bearing columns, or any other fixture serving only a specific Unit. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Private Elements to which it was originally assigned as a Limited Common Element.

(V) "Limited Common Expenses" shall mean the expenses arising out of the ownership of the Limited Common Elements and shall include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(W) "Members" shall mean and refer to the Association's members.

(X) "Mortgage" shall mean a first lien mortgage on one (1) or more Units.

(Y) "Mortgagee" shall mean a holder of a Mortgage who has given notice to the Association that the Mortgagee is the holder of a Mortgage affecting all or any part of the Condominium Property as hereinafter provided.

(Z) "Occupant" shall mean and include any Owner, the family members, guests, tenants, agents, servants, employees and invitees of any Owner and their respective family members, guests, tenants, agents, servants, employees, invitees and any other person who occupies or uses any Dwelling or Unit within the Property. All actions or omissions of any Occupant are and shall be deemed the actions or omissions of the Owner of such Dwelling or Unit.

(AA) "Owner" or "Unit Owner" shall mean and refer to the record owner, including Developer, of fee simple title to any Unit, whether a corporate, partnership, proprietorship, association or other entity of any nature, including natural persons, but shall not include (i) any Mortgagee unless and until such Mortgagee has foreclosed on its Mortgage and purchased such Unit at the foreclosure sale held with respect to the foreclosure of such Mortgage or (ii) any lessee, purchaser, contract purchaser or vendor who has an interest in any Unit solely by virtue of a lease, contract, installment contract or other agreement.

(BB) "Plan" or "Plat" shall mean the as-built Plan showing the Private Elements, the Common Elements and the Limited Common Elements of the Condominium Property attached hereto as Exhibit "C", and made a part hereof for all purposes, as such Plan may, from time to time, be amended.

(CC) "Private Elements" or "Unit" shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner.

(A) Each Private Element, EXCLUDING Ground Units, is identified in a diagrammatic floor plan of the floor on which it is situated as shown on the Plan, and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(1) Upper and lower boundaries of Units: The upper and lower boundaries extended to their planer intersections with the perimetrical boundaries as follows:

(a) the upper boundary shall be the plane of the lower unfinished surface of the ceiling;

(b) the lower boundary shall be the plane of the upper surface of the concrete floor slab or wooden subflooring, which serves as the Unit's floor, excluding any floor covering such as carpeting, vinyl, hardwood or ceramic tile which are all deemed to be part of the Private Elements.

(2) The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows, glass doors and entry doors, and the unfinished interior surfaces of the exterior walls and party walls, (excluding gypsum board, paint, wallpaper and light fixtures) extended to their planer intersection with each other and with the upper and lower boundaries which are all deemed to be part of the private Elements.

Private Elements or Units, EXCLUDING Ground units, shall include all non-structural interior partition walls located within the boundaries of the Private Elements except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, gypsum board, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, kitchen cabinets, and water and sewage pipes located within the boundaries of the Private Elements and serving only the Private Element; the storage area, if any, located on the balconies or terraces or Private Parking Space appurtenant to a Unit; or and the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Private Element, including the individual air conditioning compressor even though such equipment may be located outside the boundaries of the Private Element, providing that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Private Element, and forming a part of any system serving one or more other Private Elements or the Common Elements shall be deemed to be a part of such Private Element; and, provided further, that no bearing wall providing structural support and located within the boundaries of the Private Elements shall be deemed part of the Private Elements.

(B) Each Ground Units, which is identified in a diagrammatic plan of the unimproved parcel of land as shown on the Plan, and shall consist of the real property which is located within the boundary lines designated on the Plan for that Ground Units. There is no upper boundary nor lower boundary for a Ground Unit and the perimetrical boundary of a Ground Unit shall be the boundary lines designated on the Plan, set out on Exhibit "C" hereto, for that Ground Unit. A Ground Unit is a Private Element.

(DD) "Private Marina" shall mean the piers, bulkheads, mooring pilings, docks, Boat Slips, and navigable waterways located adjacent to the Condominium Property, as identified on the Plats and Plans and as described in this Declaration.

(EE) "Private Parking Space" or "Private Parking Spaces" shall mean and refer to the Private Parking Space or Spaces described in Section 2.05 herein and is a Limited Common Element.

(FF) "Property" or "Condominium Property" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the

mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as amended from time to time.

(GG) "Rules and Regulations" shall mean the Rules and Regulations concerning the use of Walker Key, a Condominium adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents.

(HH) "Special Declarant Rights" shall have the same meaning as is defined in the Act and as set forth in this Declaration.

(II) "Unit" or "Condominium Unit" shall mean the Private Elements as shown on the Plat, together with the undivided interest in the Common Elements and Limited Common Elements, if any, assigned to each Unit as herein provided.

(JJ) "Vessel" shall mean and refer to any craft for traveling on water including, but not limited to, a boat, sailboat, motorized boat, self-propelled boat, or any other type of vehicle which is seaworthy or intended to be seaworthy. The term Vessel shall include all Vessels kept in a Boat Slip or otherwise operated or moored within the Private Marina.

The definitions of the Units enumerated above and other matters pertaining to the Units will be further defined and set out in this Declaration.

## ARTICLE II

### DESCRIPTION OF IMPROVEMENTS AND DEVELOPMENT PLANS

2.01 Identification of Units. A Plat of the Land and improvements thereon and a graphic description of the improvements in which the Units are located identifying each Unit by a number so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Plan attached hereto as Exhibits "C", and made a part hereof for all purposes.

2.02 Development Plans. The Developer proposes to develop a possible seventy five (75) Units in two Phases. The improvements for Phase I have been substantially completed, as set forth on the Plans attached as Exhibit "C" hereto. Phase I consists of twenty five (25) Townhouse Units located in five (5) buildings and eighteen (18) Ground Units, together with parking areas, landscaping, Private Parking Space, Private Marina and other common or limited common elements, as set forth on the Plans. Building "A" consists of three (3) Townhouse Units, Building "B" consists of

four (4) Townhouse Units, Building "C" consists of five (5) Townhouse Units, Building "D" consists of three (3) Townhouse Units, Building "E" consists of ten (10) Townhouse Units and the eighteen (18) Ground Units, upon which no improvements are located and any improvements constructed thereon must be approved by the DRB. Buildings "A", "B", "C", "D" and "E" and the Ground Units ("G"-1 through "G"-18) are all located in Phase I. Phase I shall, also, include a Private Marina with a maximum of ninety-three (93) Boat Slips. The Ground Units are unimproved and any structures located thereon must be approved by the Design Review Board (DRB), as more specifically set forth in this Declaration. The Units may vary in size and layout, as more specifically set forth on the Plats and Plans attached as Exhibit "C" to this Declaration. The amenities located in the common elements of the Condominium will include parking areas, outdoor swimming pool with decks, corridors, walkways, mechanical rooms, maintenance rooms, bulkheads, piers, service areas, and Private Marina. The balconies located adjacent to a Unit, storage areas, Private Parking Space and Boat Slips are Limited Common Element, as more specifically set forth on the Plats and Plans attached to Exhibit "C" to this Declaration. The Developer makes no assurances Phase II will be constructed and Phase II "NEED NOT BE BUILT". If Phase II is developed, the Developer makes no assurance it will be constructed of materials of a quality similar to or higher than the quality of the materials used in the construction of Phase I. The maximum number of Units which the Developer reserves the right to create is seventy-five (75).

The Developer shall have the unilateral right, privilege, and option, at any time (subject to the provisions of this Declaration) to remove the property described on Exhibit "G" from this Declaration may be amended by the Developer without the consent of any Unit Owner, Mortgagee, or other person or entity in order to exercise any Development complies with the requirements of the Act.

2.03 Phasing Amendment. Even though the Developer makes no assurances that Phase II will be developed, the Developer may, upon the substantial completion of the improvements constituting Phase II, record an amendment to the Declaration incorporating into said Declaration the Plats and Plans for Phase II. Any such Amendment shall be executed solely by the Developer, and comply with the provisions of this Declaration and the Act, and shall be recorded in the Office of the Judge of Probate, Baldwin County, Alabama. The right of the Developer to add a Phasing Amendment or to remove the property described on Exhibit "G" (Phase II) from the provisions of this Declaration shall cease and terminate ten (10) years from the date this Declaration is recorded in the Office of the Judge of Probate, Baldwin County, Alabama. Except as provided in the preceding sentence, no other time limitation shall be imposed on the right of Developer to remove the property described on Exhibit "G" (Phase II) from the provisions of this Declaration and the condominium form of ownership.

2.04 Balconies and Terraces. Exterior balconies which service only an individual Unit are Limited Common Areas as designated by the Plat and Plans and this Declaration. Exterior balconies or terraces shall be deemed to be a Limited Common Element appurtenant to the Unit from which it is directly accessible. Each Unit Owner shall be entitled to an exclusive easement for the use of any exterior balcony directly accessible from such Owner's Unit, but such right shall not entitle an Owner to construct anything thereon nor to change any structural part thereof.

2.05 Boat Slips and Private Parking Space.

(A) Each Boat Slip shall consist of the space located within the area shown on the Plans and generally described as follows. The horizontal and vertical boundaries of each Boat Slip shall typically consist of the interior face of the docks, piers and the mooring piles assigned to each Boat Slip and falling within the Boat Slip and if no surface (no docks, piers or mooring piles), the horizontal or vertical extended plane of the perimeter of said surface extended to the distances shown on the Plans. There are no specific upper boundaries for the Boat Slip. The vertical or upper boundaries extend upward to such a height that would accommodate and include the Vessel moored in the Boat Slip from time to time. The lower boundary of the Boat Slip extends beneath the surface of the water to (but not including) the bottom of the harbor basin of the waters falling within the Private Marina or Terry Cove. The Developer does not warrant or represent the Boat Slip will accommodate any particular size vessel, and the Developer does not warrant the depth of the water in the harbor basin of the Private Marina will remain the same. The size and layout of Boat Slips will vary from Boat Slip to Boat Slip, as more specifically set forth on the Plans attached as Exhibit "C". The Developer shall have the sole right to assign a Boat Slip or Boat Slips to a Unit, as more fully set forth in Section 9.05 of this Declaration.

Each Owner of a Unit of which a Boat Slip is an appurtenant thereto shall have the riparian right and easement to use the water space within the Boat Slip assigned as a Limited Common Element to that Unit as well as the water immediately adjacent to the Boat Slip extending to within one (1) foot of the mooring pile or boundary line between Vessels as shown on the Plans for the purpose of mooring a Vessel. The rights of a Unit Owner to use a Boat Slip or the waterways within the Private Marina is a Limited Common Element but is non-exclusive and is subject to the rights of other parties, the United States of America or the State of Alabama, in and to the shore, littoral or riparian rights of the property lying adjacent to Terry Cove or the waters within the Private Marina and the rights of said parties to use and/or regulate said waterways.

The maintenance, repair, upkeep and replacement of each Boat Slip shall be the exclusive responsibility of the Unit Owner to which that Boat Slip shall be appurtenant. A Boat Slip is a Limited Common Element.

(B) A portion of the space falling between the ground and the horizontal plane of the lower external surface of the first floor (level) of each Townhouse Unit is a Limited Common Element ("Private Parking Space") and as more specifically shown on the Plans attached hereto as Exhibit "C".

The Private Parking Space shall consist of the space located within the area generally described as follows. The horizontal and vertical boundaries of each Private Parking Space shall typically consist of the interior face of the pilings or supports of each Private Parking Space (or the unfurnished interior surfaces of any wall or entry door bounding the Private Parking Space) and falling within the Private Parking Space as shown on the Plans and if no surface, the horizontal or vertical extended plane of the perimeter of the Private Parking Space extended to the distance shown on the Plans. The lower boundary of the Private Parking Space is the ground (level). The upper boundary of the Private Parking Space is the lower external surface of the first floor (level) of the Townhouse Unit. The Private Parking Space may include a storage area or storage closet which shall be part of the Private Parking Space and which is designated on the Plans.

The maintenance, repair, upkeep and replacement of the Private Parking Space shall be the exclusive responsibility of the Owner of the Unit to which that Private Parking Space shall be appurtenant. A Private Parking Space is a Limited Common Element.

### ARTICLE III

#### EASEMENTS AND RESTRICTIONS

3.01 Easements and Restrictions. The Private Elements, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Private Elements, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. Said Private Elements, common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property, which easements and restrictions are described on Exhibit "D", attached hereto and made a part hereof for all purposes.

(A) Utility Easements. Utility easements are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone and cable television) in order to adequately serve the Condominium Property.

(B) Utility Equipment. There may be utility equipment located on the Common elements appurtenant to some Units. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by the Developer and the Owners of the appurtenant Unit; provided that no utility equipment shall be placed in any part of the Common Elements or Limited Common Elements other than its present location unless the written approval of the Association shall have first been obtained.

(C) Easements for Ingress and Egress. The Common Elements shall be, and the same here hereby declared to be, subject to a perpetual nonexclusive easement of way over all roads, parking areas, walkways, halls, stairways, elevators, and other common areas, in favor of all Owners and the Developer for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners and the Developer, subject to all restrictions in the Condominium Documents. The Limited Common Elements shall be subject to a nonexclusive easement in favor of the Association for repair, service and other uses reasonably intended or required by the Association.

(D) Easement for Use of Leased or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise, for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules and Regulations.

(E) Easements for Encroachments. To the extent that any Private Element, Common Element or Limited Common Element encroaches on any other Private Element, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and /or the maintenance of the same, so long as the encroaching Private Element, Common Element or Limited Common element stands. A valid easement shall not relieve an Owner of liability of such Owner's or such Owner's agent's negligence or intentional acts in case of willful and intentional misconduct by an Owner or an Owner's agents or employees. In the event any Unit, an adjoining Unit, or any adjoining Common Elements or Limited Common Elements 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 constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited common Elements upon any Unit or of any Unit upon any of the other Private Elements, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.



(F) Easement of Support. Each Private Element, Common Element and Limited Common Element shall have an easement of support from every other Private Element, Common Element, and Limited Common Element which provide such support.

(G) Easements Appurtenant to Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

3.02 Ownership of Common Elements and Limited Common Elements. Each Owner shall own an undivided interest in the Common Elements and Limited Common elements with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements and Limited Common Elements for all purposes incident to the use and occupancy of the Owner's Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Unit. The extent or amount of such ownership shall be expressed by a percentage relating to each Unit as set forth on Exhibit "E" attached hereto and made a part hereof for all purposes, and shall remain constant, unless changed in accordance with the provisions hereof or by the unanimous approval of all Owners and Mortgagees. 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 percentage as set out on Exhibit "E" shall govern. The Owners of Units with Limited Common Elements which are appurtenant to such Unit as designated or described on the Plan attached hereto shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Developer as permitted herein or by the unanimous approval of the Owners and their respective Mortgagees. Each Owner of a Unit to which a Limited Common Element is attached shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of such Owner's Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units to which the Limited Common Elements are attached.

3.03 Common Elements and Limited Common Elements in Phase II. Phase II, if constructed, shall contain Common Elements and Limited Common Elements, as will be depicted on the Plat and Plans for Phase II. Developer makes no assurances the Common Elements and Limited Common Elements in Phase II will be identical with, or complimentary to those existing in Phase I.

## ARTICLE IV

### SPECIAL DECLARANT RIGHTS

4.01 Amendment of Condominium Plan. The Developer reserves the right to change the interior design and arrangement of all Units, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Developer owns the Units so altered. Changes in the boundaries between Private Elements, as hereinbefore provided, shall be reflected by an amendment to the Plan and, if necessary, an amendment to this Declaration. If two (2) adjoining Units are combined by the Developer to make one (1) large Unit, the Association's assessments and the ownership interest in the Common Elements attributable to the combined Unit shall remain as though there are two (2) separate Units. An amendment to the Plan or this Declaration reflecting an alteration of the boundaries of the Units owned by the Developer must be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change which shall result in a change in the undivided interest in the Common Elements or the Limited Common Elements or a change in the share of the Common Expenses or the Limited Common Expenses with respect to Owners of Units other than the Developer at the time of such change or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Developer) may not be made without an amendment of this Declaration approved by the Owners and Mortgagees in the manner elsewhere required herein.

4.02 Right to Convert Units Into Common Elements. The Developer expressly reserves the right until the third anniversary of the recordation of this Declaration to convert any Unit into Common Elements or Limited Common Elements, or both. This reserved development right may be exercised with respect to all or any portion of the Property in any order and at any time. There is no limitation on this right.

4.03 Use for Sales Purposes. All Units and the Common Elements shall be subject to the statutory right concerning sales and management offices and models in Units and the Common Elements in favor of the Developer provided in Section 35-8A-215 of the Act. The Developer otherwise expressly reserves the right to use one (1) or more Units owned by the Developer as models, and any portion of the Common Elements for management offices and/or sales offices. The Developer reserves the right to relocate office and/or models from time to time within the Property. Upon relocation or sale of a model, the management office or sale office and the furnishings thereof may be removed by the Developer. The Developer further reserves the right to maintain on the Common Elements advertising signs in any location or locations and from time to time to relocate and/or remove the same, all in the sole discretion of the Developer.

4.04 Use by the Developer. Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors nor their use of the Condominium Property or application of this Declaration shall interfere with the completion of the contemplated improvements and sales of the Units in the Condominium until the Developer has completed all of the Developer's contemplated improvements, and closed the sales of all of such Units. Subject to the rights of the Mortgagee hereunder, the Developer may make such use of the unsold Units and of the Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, management office and model units, the showing of the Condominium Property and the Units therein, the display of signs thereon and therein. These Special Declarant Rights exist so long as the Developer holds any Unit in the Condominium for sale in the ordinary course of business or leases any Unit which it owns. The Developer expressly reserves the right to lease any Unit which it may own in the Condominium Property on such terms as it may deem proper and desirable and may transfer Units subject to such lease.

4.05 Amendment to Remove Phase II from the Declaration. The Developer expressly reserves the right until the tenth anniversary of the recordation of this Declaration to remove Phase II, which is described on Exhibit "G", from this Declaration and the Condominium form of ownership, by filing an Amendment to this Declaration in the Office of the Judge of Probate, Baldwin County, Alabama, removing said parcel from the terms and conditions of this Declaration, all in accordance with the provisions in the Act.

## ARTICLE V

### DESIGN AND REVIEW BOARD DEVELOPMENT AND DESIGN CODE FOR GROUND UNITS

5.01 Board Composition. The Design Review Board ("DRB") shall consist of not less than three nor more than seven persons, each of whom shall be appointed or elected as provided in Section 5.2 below. The members of the DRB may, but shall not be required to be, members of the Association or Owners of any Unit. The term of office for each member of the DRB shall be three years (coinciding with the fiscal year of the Association), except as provided in Section 5.2(D) below. Any member appointed or elected as provided in Section 5.2 below may be removed with or without cause in the manner provided in Section 5.2 below. Each Owner, by acceptance of a deed to or other conveyance to a Ground Unit, shall be deemed to ratify the provisions of Section 5.2 below.

### 5.02 Appointment and Removal of DRB Members.

(A) For so long as the Developer owns any portion of the Condominium Property, or until such earlier date as Developer may elect, in Developer's sole discretion, Developer shall have the sole and exclusive right to appoint and remove all of the members of the DRB.

(B) At such time as Developer no longer owns any portion of the Condominium Property or, upon Developer's written notice to the Association that it no longer desires to exercise the right to appoint and remove members of the DRB as provided in Section 5.2(a) above, then the members of the DRB shall be appointed by the Association, through its Board of Directors.

(C) Any member of the DRB may be removed, with or without cause, by (i) Developer, in its sole discretion, during the period of time that the provisions of Section 5.2(A) above are in effect or (ii) the Association, in the event the provisions of Section 5.2(B) above are in effect. In the event of death or resignation of a member of the DRB, then Developer, if the provisions of Section 5.2(A) above are applicable, or the Association, if the provisions of Section 5.2(B) above are applicable, as the case may be, shall appoint a substitute member of the DRB to fill the vacancy of such deceased or resigning member for the remainder of the term of such former member.

(D) The Developer shall appoint the initial DRB for terms ranging from one to three years each, in Developer's sole discretion. At the expiration of the term of office of each respective member of the initial DRB, Developer, in the event the provisions of Section 5.2(A) above are applicable, or the Association, in the event the provisions of Section 5.2(B) above are applicable, shall appoint a successor of such member for a period determined by the Association, but not to exceed three years.

5.03 Procedure and Meetings. The DRB shall elect a chairman and he or she, or in his or her absence, the vice-chairman, shall be the presiding officer at all meetings of the DRB. The DRB shall meet as necessary as well as upon call of the chairman or vice chairman, and all such meetings shall be held at such places as may be designated by the chairman or vice-chairman. A majority of the total number of members of the DRB shall constitute a quorum of the DRB for the transaction of business and the affirmative vote of a majority of those present in person or by proxy at a meeting of the DRB shall constitute the action of the DRB on any matter that comes before it. The DRB is authorized to retain the services of consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys in order to advise and assist the DRB in performing its functions set forth herein. Each member of the DRB may be paid a stipend or honorarium as may from time to time be determined by the Developer, if the provisions of Section 5.2(A) above are applicable, or the Association, if the provisions of Section 5.2(B) above are applicable, and shall otherwise be entitled to a reimbursement of expenses incurred on behalf of the DRB, subject to the approval of such expenses by the Developer, if the provisions of Section 5.2(A) above are applicable, or the Master Association, if the provisions of Section 5.2(B) above are applicable. The DRB shall have the right from time to time to

adopt and establish such rules and regulations as may be determined to be necessary concerning the procedure, notice of meetings and all other matters concerning the conduct of the business of the DRB.

5.04 Design Code. The DRB is hereby authorized to promulgate and amend or modify from time to time a written Design Code governing policies, guidelines and minimum requirements to be satisfied with respect to the site preparation, construction, location, landscaping and design of all Dwellings and other Improvements on any Ground Unit, the content and the construction of any Dwelling or other Improvements on a Ground Unit are to be submitted to and approved by the DRB, and any other matters affecting the construction, repair or maintenance of any Dwelling or other Improvements on any Ground Unit. The Design Code adopted by the DRB shall be in addition to the provisions and requirements set forth in this Declaration and shall be binding upon and enforceable against all Owners.

5.05 Approval of Plans and Specifications.

(A) TO PRESERVE THE ARCHITECTURAL AND AESTHETIC APPEARANCE AND THE NATURAL SETTING AND BEAUTY OF THE CONDOMINIUM PROPERTY, TO ESTABLISH AND PRESERVE A HARMONIOUS DESIGN FOR THE CONDOMINIUM PROPERTY AND TO PROTECT AND PROMOTE THE VALUE OF THE CONDOMINIUM PROPERTY AND ALL IMPROVEMENTS THEREON, NO IMPROVEMENTS OF ANY NATURE SHALL BE COMMENCED, ERECTED, INSTALLED, PLACE, MOVED ONTO, ALTERED, REPLACED, RELOCATED, PERMITTED TO REMAIN ON OR MAINTAINED ON ANY GROUND UNIT BY ANY OWNER, OTHER THAN DEVELOPER, THAT AFFECT THE EXTERIOR APPEARANCE OF ANY GROUND UNIT UNLESS PLANS AND SPECIFICATIONS THEREFOR HAVE BEEN SUBMITTED TO AND APPROVED BY THE DRB IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.5(B) BELOW. WITHOUT LIMITING THE FOREGOING, THE CONSTRUCTION AND INSTALLATION OF ANY DWELLINGS, SIDEWALKS, DRIVEWAYS, PARKING LOTS, MAILBOXES, DECKS, PATIOS, COURTYARDS, SWIMMING POOLS, TENNIS COURTS, GREENHOUSES, PLAYHOUSES, AWNINGS, WALLS, FENCES, EXTERIOR LIGHTS, IRRIGATION SYSTEMS, SATELLITE DISHES, RADIO OR TELEVISION ANTENNAS, GAZEBOS, GUEST OR SERVANT QUARTERS, GARAGES OR ANY OTHER OUTBUILDINGS, SHALL NOT BE UNDERTAKEN, NOR SHALL ANY EXTERIOR ADDITION OR CHANGE OR ALTERATION BE MADE (INCLUDING, WITHOUT LIMITATION, PAINTING OR STAINING OF ANY EXTERIOR SURFACE) TO ANY DWELLING OR IMPROVEMENTS, UNLESS THE PLANS AND SPECIFICATIONS FOR THE SAME HAVE BEEN SUBMITTED TO AND APPROVED BY THE DRB IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.5(B) BELOW.

(B) The DRB is hereby authorized and empowered to approve all plans and specifications and the construction of all Dwellings and other Improvements on any Ground Unit. Prior to the commencement of any Dwelling or other Improvements on any Ground Unit, the Owner thereof shall submit an application to the DRB requesting the DRB to review plans and specification and related data for all such Improvements, as more particularly provided in the Design Code.

(C) The DRB shall, in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. One copy of all plans, specifications and related data so submitted to the DRB shall be retained in the records of the DRB and the other copy shall be returned to the Owner submitting the same marked "approved", "approved as noted" or "disapproved". The DRB shall establish a fee to be charged to and paid by each Owner who submits plans and specifications to the DRB for approval, which fee shall be sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained to approve such plans and specifications and to monitor and otherwise enforce the terms hereof. Notwithstanding anything provided herein to the contrary, an Owner may make interior improvements and alterations within his/her Dwelling that do not affect exterior appearance and without the necessity or requirement that DRB approval or consent be obtained.

(D) The DRB shall have the right to disapprove any plans and specifications upon any ground that is consistent with the objectives and purposes of these Covenants, including purely aesthetic considerations, any failure to comply with any of the provisions of these Covenants or the Design Code, failure to provide requested information, objection to exterior design, appearance or materials, objection on the ground of incompatibility of any such proposed improvement with the scheme of development proposed for the Condominium Property, objection to the location of any proposed Improvements on any such Ground Unit, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvement or any other matter that, in the sole judgement of the DRB, would render the proposed Improvement inharmonious with the general plan of development contemplated for the Condominium Property. The DRB shall have the right to approve any submitted plans and specifications with conditions or stipulations with which the Owner of such Ground Unit shall be obligated to comply and which must be incorporated into the plans and specifications by the DRB for Improvements to one particular Ground Unit shall not be deemed an approval or otherwise obligate the DRB to approve similar plans and specifications or any of the features or elements for the Improvements for any other Ground Unit within the Condominium Property.

(E) If the DRB fails to approve, or approve as noted, in writing any such proposed plans and specifications within sixty days after such plans and specifications have been submitted, then the plans and specifications so submitted will be deemed to have been disapproved.

(F) Any revisions, modifications or changes in any plans and specifications previously approved by the DRB must be approved by the DRB in the same manner specified above.

(G) If construction of the Dwelling or the Improvements has not substantially commenced (by clearing and grading, placement of pilings in the ground, pouring of footings and otherwise commencing framing and other related construction work) within one year of approval by the DRB of the plans and specifications for such Dwellings or other Improvements, then no construction may be commenced (or continued) on such Ground Unit, and the Owner of such Ground Unit shall be required to resubmit all plans and specifications for any Dwelling or other Improvements to the DRB for approval in the same manner specified above.

5.06 Landscaping Approval. To preserve, to the extent practicable, the natural landscaping and plant life currently situated on the Condominium Property and to enhance the aesthetic appearance of the Condominium Property, no landscaping, grading, excavation or fill work of any nature shall be implemented or installed by any Owner, other than Developer, on any Ground Unit unless and until landscaping plans therefor have been submitted to and approved by the DRB. The provisions of Section 5.5 above regarding the method of submitting such plans to the DRB, the time for approval or disapproval of the same and the method of approving modifications or changes thereto shall be applicable to such landscaping plans.

5.07 Construction Without Approval. If (a) any Improvements are initiated, installed, maintained, altered, replaced or relocated on any Ground Unit without DRB approval of the plans and specifications for the same or (b) the DRB shall determine that any approved plans and specifications for any Improvements or the approved landscaping plans for any Ground Unit are not being complied with, then, in either event, the Owner of such Ground Unit shall be deemed to have violated these Covenants and the DRB shall have the right to exercise any of the rights and remedies set forth in Section 5.13 below.

5.08 Inspection. The DRB or any agent, employee or representative thereof may at any reasonable time and from time to time enter upon and inspect any Ground Unit or any Improvements being constructed thereon in order to determine whether the approved plans and specifications thereof are being complied with. Any such entry shall not be deemed to be a trespass or any other wrongful act by the DRB.

5.9 Surface and Subsurface Conditions.

(A) Approval of the submitted plans and specifications by the DRB as herein provided shall not be construed in any respect as a representation or warranty of the DRB, the Developer or the Association to the Owner submitting such plans and specifications as to the suitability of the Improvements proposed to be constructed from such plans for the surface, subsurface or weather conditions of such Ground Unit. It shall be the sole responsibility of the Owner to determine the suitability and adequacy of the surface and subsurface conditions of the Ground Unit for the construction of any and all Dwellings or other

Improvements thereon and the suitability of every Improvement or Dwelling located on the Ground Unit for the weather conditions that may occur on or around said Ground Unit.

(B) Neither the DRB and its individual members, nor the Associations and its members, nor the Developer and its agents and employees shall be liable to any Owner or Occupant, or the successors, assigns, licensees, lessees, employees and agents of any Owner or Occupant, for loss or damage on account of injuries to any of the Condominium Property or to any Improvements, Dwellings or other structures now or hereafter located upon any Ground Unit, or on account of any past or future injuries to any Owner, Occupant or other person in or upon any portion of the Condominium Property, that are caused by, or arise as a result of soil or subsurface conditions, known or unknown, under or on the Condominium Property.

5.10 Limitation of Liability. Notwithstanding anything provided herein to the contrary, neither Developer, the DRB, the Association, nor any agent, employee, representative, member, shareholder, partner, joint venturer, officer or director thereof, shall have liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any plans and specifications submitted, reviewed or approved in accordance with the provisions of this Article 5, (b) any defects, structural or otherwise, in any work done according to such plans and specifications, (c) the failure to approve or the disapproval of any plans, drawing, specifications or other data submitted by any Owner for approval pursuant to the provisions of this Article 5, (d) the construction or performance of any work related to such plans, drawings and specifications, (e) bodily injuries (including death) to any Owner, Occupants or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or Occupant, or any damage to any Dwellings or Improvements or the personal property of any Owner or Occupant, or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or Occupant, that may be caused by, or arise as a result of any defect, structural or otherwise, in any Dwellings or Improvement or the plans and specifications thereof or any past, present, future soil or subsurface conditions, known or unknown (including, without limitation, geological formations or conditions on or under any Ground Unit), and (f) any other loss, claim, damage, liability or expense, including court costs and attorneys' fees, suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Ground Unit or Dwelling or any Improvements situated thereon.

5.11 Commencement and Completion of Construction. Upon commencement of clearing of any Ground Unit, construction of any Dwelling must commence immediately and, construction work thereon shall be prosecuted diligently and continuously and shall be completed within one year of the commencement date of said construction, such completion to be evidenced by a certificate of occupancy issued by the appropriate Governmental authorities.



5.12 Sales, Construction Activities and Purchase of Sales Office. Notwithstanding any provisions or restrictions contained in these Covenants to the contrary, Developer, its agents, employees, successors and assigns, shall have the right and option to maintain such facilities and carry on such activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Units or the development of the Condominium Property, or Common Areas and future phases, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Units, all as may be approved by Developer from time to time; provided, however, that the location of any construction trailers of any assignees of Developer's rights under this Section 5.12 shall be subject to Developer's approval. The right to maintain and carry on such facilities and activities shall include, without limitation, the right to use Units as model residences and as offices for the sale of Units and for any related activities.

5.13 Enforcement and Remedies. If any of the provisions of this Article 5 are breached or are not otherwise being complied with in all respects by any Owner or Occupant or the respective family members, guests, invitees, agents, employees or contractors of any Owner or Occupant, then the DRB and the Association shall each have the right, but not the obligation, at their option to (a) enjoin any further construction on any Ground Unit and require the removal or correction of any work in place that does not comply with the plans and specifications approved by the DRB for such Improvements and/or (b) through their designated agents, employees, representatives and independent contractors, enter upon such Ground Unit and take all action necessary to extinguish such violation or breach and to minimize or remediate erosion caused by such violation or breach, including, but not limited to delays in construction or inadequate erosion control procedures. All costs and expenses incurred by the DRB or the Association in enforcing any of the provisions of this Article 5, including, without limitation, attorneys' fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of nonconforming work, the completion of uncompleted work or in any judicial proceeding, together with any other costs or expenses incurred by the DRB or the Association in causing any Owner or such Owner's contractors, agents or invitees to comply with the terms and provision of this Article 5, shall be paid by such Owner, shall constitute an individual Assessment to such Owner pursuant to Section 8.06 and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.07 and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the right and remedies of the DRB and the Association may exercise at law or in equity or any of the enforcement rights specified in Article VIII.

5.14 Compliance Certification. The DRB or any authorized representative thereof shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to an Owner a certificate in writing setting forth whether all

necessary DRB approvals have been obtained and whether any Dwelling and Improvement has been constructed in accordance with the provisions of these Covenants. Any such approval shall not be construed in any respect as a representation or warranty of the DRB or Developer or the Association that all applicable rules, regulations and requirements of all Governmental Authorities with respect to any such Improvement or Dwelling have been fulfilled.

#### ARTICLE VI

##### USE AND DEVELOPMENT RESTRICTIONS ON GROUND UNITS

6.01 Use Restrictions. Except as otherwise provided to the contrary in Section 5.12 above, each Ground Unit and Dwelling shall be used for single-family residential purposes only and no trade or business of any kind may be carried on in or from any Ground Unit or Dwelling. The use of any portion of a Dwelling as an office by an Owner or Occupant shall not be considered a violation of this covenant provided any such use does not create regular customer, client or employee traffic, and further provided any such use is in compliance with all applicable rules, regulations and ordinances of the any Governmental Authority having jurisdiction thereof. The leasing or rental of a Dwelling for residential purposes only shall not be considered a violation of this covenant so long as the lease (a) is for not less than the entire Dwelling, and (b) is otherwise in compliance with the rules and regulations promulgated and published from time to time by the Association; provided, however, that Developer shall have the perpetual right to designate from time to time any Dwellings owned by Developer, its successors and/or assigns, that may be leased for such periods of time as Developer may determine, including daily or weekly rentals.

6.02 DRB Approval. No Dwellings or other Improvements of any nature whatsoever shall be constructed on any Ground Unit unless such Dwelling or Improvements have been approved by the DRB in the manner set forth in Article 5 above.

6.03 Underground Utilities. All utility lines, pipes, conduits and wiring for electrical, gas, telephone, water, sewer, cable television, security and any other utility service for any Ground Unit shall be installed and maintained below ground.

6.04 Irrigation Systems. No private wells shall be allowed on any Ground Unit. All irrigation systems for a Ground Unit must be provided water by means other than private wells and must be approved by the DRB in the manner set forth in Article 5 above.

6.05 Building Setbacks.

(A) Subject to the provisions of Section 6.6 below, minimum building setback lines for all Dwellings shall be established either (i) by the DRB, (ii) on the recorded Plats and Plans for the Condominium Property, or (iii) in the deed from Developer to the

Owner of such Ground Unit, all in accordance with applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof.

(B) No Dwellings shall be built within the setback areas established in accordance with any of the procedures specified in Section 6.5(a) above.

6.06 Siting of Dwellings. Prior to commencing any construction related activities on any Ground Unit (including any grading or clearing), the location of any Dwelling to be constructed thereon shall be set forth on the site development plan for such Ground Unit that must be approved by the DRB pursuant to the provisions of Section 5.5 above. Notwithstanding anything provided in Section 6.5 above to the contrary, the DRB may require building setback requirements different from those described in Section 6.5, including building setbacks that are greater than those specified in Section 6.5 above.

6.07 Trees. No owner, other than Developer, shall cut, remove or mutilate any tree larger than eighteen (18) inches in diameter located on any Ground Unit prior to any construction or clearing activity on such Ground Unit, without first obtaining the approval of the DRB; provided, however, that the foregoing shall not be deemed to release any Owner from the provisions of Section 6.9 and 7.1 below.

6.08 Height Limitations. The height of all Dwellings shall be compatible with all other Dwellings adjacent to such Ground Unit and as established from time to time by the DRB.

6.09 Landscaping. The following restrictions apply to landscaping on a Ground Unit:

(A) The landscaping plans for each Ground Unit within the Condominium Property shall be submitted to the DRB for approval pursuant to the provisions of Section 5.6 above. Each Owner shall, to the extent practicable, attempt to incorporate into the landscaping plans for his or her Dwelling the natural plant life existing on such Ground Unit and shall otherwise take such steps that would, to the extent practicable, preserve the existing trees, plant life, wild flowers and natural environment that exist on such Ground Unit.

(B) All front, rear and side yards of each Unit shall be a natural area, unless the same is landscaped with shrubbery and other plant life as approved by the DRB.

(C) All landscaping for a Ground Unit shall be completed in accordance with the landscaping plan approved by the DRB no later than sixty days following the issuance of a certificate of occupancy for the Dwelling situated thereon.

(D) No hedge or shrubbery planting that obstructs sightlines of roadways shall be placed or permitted to remain on any Ground Unit where such hedge or shrubbery interferes with traffic sight-lines for roadways with the Condominium Property. The determination of whether any such obstruction exists shall be made by the DRB, whose determination shall be final, conclusive and binding on all Owners.

(E) No rocks or other substances shall be placed on any Ground Unit as a front, rear or side yard border or for the purpose of preventing vehicles from parking on or pedestrians from walking on any portion of such Ground Units or to otherwise impede or limit access to the same. No bird baths, fountains, reflectors, flag poles, statues, lawn sculptures, lawn furnishings, artificial plants, rock gardens, rock walls, bird houses or other fixtures and accessories shall be placed or installed within the front, rear or side yards of any Ground Unit without the prior written approval of the DRB.

(F) No Owner shall allow the lawn grass on his or her Ground Unit or Dwelling grow to a height in excess of twelve inches, measured from the surface of the ground.

(G) Seasonal or holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be promptly removed from each Ground Unit or Dwelling as soon as such holiday passes.

#### 6.10 Roofing.

(A) The DRB shall have the right to establish specific requirements for the pitch of any roof and the type of roofing materials that may be utilized for the Dwelling.

(B) No solar or other energy collection panel, equipment or device shall be installed or maintained on any Ground Unit or Dwelling unless previously approved by the DRB.

(C) No plumbing or heating vents, stacks and other projections of any nature shall be placed on the roof on the front of a Dwelling. All such vents, stacks and any other projections from the roof of any Dwelling shall, if at all possible, be located on the rear roof of such Dwelling and shall (i) be painted the same color as the roofing material used for such Dwelling and (ii) to the extent practicable, not be visible from any street.

6.11 Exterior Lighting. All exterior lighting for Dwellings, including, without limitation, free standing lighting and utility (e.g., flood) lights attached to a Dwelling, must be approved by the DRB.

#### 6.12 Exterior Materials and Finishes.

(A) Approved exterior building material finishes for any Dwelling shall include stucco, brick, solid wood siding (e.g., cypress or other solid wood), and, to the extent permitted by the

DRB, such other materials as may be approved by the DRB. All wood surfaces utilized out on the exterior of any Dwelling shall be painted or stained. Prohibited exterior finish materials may include particle board, plywood, vinyl or any other type of pressed, laminated or fabricated siding, vertical siding, simulated brick or stone and any other materials as the DRB may from time to time determine.

(B) All brick, stonework and mortar, as to type, size, color and application, must be approved by the DRB. All exterior colors, including, without limitation, the color of all roof shingles, stucco, wood, trim, cornices, eaves, railings, doors and shutter shall be subject to DRB approval.

(C) Steps must be of materials approved in writing by the DRB.

(D) No concrete, concrete block or cinder block shall be used as an exposed building surface; any concrete, concrete block or cinder block utilized in the construction of a Dwelling or for retaining walls and foundations shall be finished in the same materials utilized for the remainder of the Dwelling (e.g., wood, stucco, etc.).

(E) Metal flashing, valleys, vents and gutters installed on a Dwelling shall be painted to blend with the color of the exterior materials to which it is adhered or installed.

6.13 Chimneys. The exterior of all chimneys shall be constructed of stucco, brick or such other materials as the DRB may approve from time to time. If a fireplace utilizes a metal spark arrestor or other metal venting apparatus the top of the chimney, then a painted metal cowl or surround shall be painted to blend with the color of the roofing material used for such Dwelling.

6.14 Garages and Enclosed Parking.

(A) No garage doors shall open onto or front a street. Garage doors shall be constructed of such materials as are approved by the DRB. Garage doors shall be kept closed at all times except when in use. No garage shall be converted to any use other than for the parking of vehicles therein without the approval of the DRB.

(B) All automobiles or other passenger vehicles owned or used by the Owner or Occupant of any Dwelling and their respective family members shall be parked in garages to the extent garage space is available or in enclosed parking area underneath the Dwelling. Garages shall not be used for storage or for any other purposes or uses that would result in the garage being unavailable for parking vehicles therein. The parking of vehicles in driveways is permissible.

(C) In the event a Dwelling is constructed on pilings and not on grade, the Dwelling shall be constructed to allow for enclosed parking beneath the Dwelling. The parking area will be screened with material approved by the DRB. Enclosed parking underneath the Dwelling shall not be used for storage or for any other purposes or uses that would result in the enclosed parking being unavailable for parking vehicles therein.

6.15 Fences. No chain link, vinyl coated or wire fences shall be permitted on any Ground Unit except with regard to maintenance areas within the Common Areas and those fences erected by Developer. No fences shall be allowed on the rear property line of Ground Units, unless prior written approval for such a fence is obtained from the DRB. Electric fences shall not be permitted. The type of materials utilized for (including the color thereof) the location and construction design of all fences must be approved by the DRB.

6.16 Windows, Window Treatment and Doors.

(A) Reflective glass shall not be permitted on the exterior of any Dwelling unless approved by the DRB.

(B) Wooden windows and/or wooden windows with vinyl or aluminum exterior cladding may be permitted upon approval from the DRB. Cantilevered bay windows must be approved in writing by the DRB (and the DRB may require additional landscaping in front of such bay windows). Burglar bars or wrought iron doors shall not be permitted.

(C) All window colors must be approved by the DRB.

6.17 Mailboxes. In lieu of mailboxes, the Association will provide and require all Owners' use of a community mail center. No individual mailboxes are permitted.

6.18 Utility Meters and HVAC Equipment. The location, landscaping and screening of all electrical, gas, telephone and cable television meters, all exterior heating, ventilating and air conditioning compressor units and equipment shall be as required in the Design Code or as otherwise agreed to by the DRB. No window-mounted or through the wall heating or air conditioning units or window fans shall be permitted.

6.19 Satellite Dishes and Antennae. No satellite dishes larger than eighteen (18) inches in diameter, radio or television antenna, radio receiver or other similar device or aerial shall be attached to or installed on any Ground Unit or Dwelling or any other portion of the Condominium Property unless the same is contained entirely within the interior of a building or other structure or is otherwise approved by the DRB. No radio or television signals or any other form of electromagnetic radiation or transmission shall be permitted to originate from any Ground Unit or Dwelling that may interfere with the reception of radio or television signals within the Condominium Property; provided,

however, that Developer shall not be prohibited from installing and operating any equipment necessary for master antenna, cable television, security, mobile radio or similar systems within the Condominium Property.

6.20 Driveways and Sidewalks. All driveways and sidewalks for each Ground Unit or Dwelling shall be constructed of concrete, crushed shell, crushed limestone or brick or concrete pavers. Other materials may be used but only if approved by the DRB.

6.21 Outdoor Furniture, Recreational Facilities and Clotheslines.

(A) No furniture shall be placed, kept, installed, maintained or located in or on the front areas of a Dwelling without prior approval from the DRB. Any furniture placed, kept, installed, maintained or located at the rear of or behind a Dwelling shall, to the greatest extent practicable, be located so that the same shall not be visible from the street.

(B) No lumber, metals or bulk materials shall be kept or stored or accumulated on a Ground Unit, except building materials during the construction of Improvements on a Ground Unit.

(C) On Ground Units, children's toys, swing sets, jungle gyms, trampolines and other outdoor and recreational equipment and appurtenances shall be allowed only at the rear or behind a Dwelling and shall, to the extent practicable, be located so that the same are not visible from any street.

(D) Free-standing playhouses and treehouses shall not be permitted, unless located in the rear or behind a Dwelling and approved by the DRB.

(E) Basketball backgrounds shall be located so as not be visible from any street and shall otherwise be located on such Ground Unit in a location approved by the DRB.

(F) Outside clotheslines or other outside facilities for drying or airing clothes shall be prohibited on any Ground Unit. No clothing, rugs or other items shall be hung, placed or allowed to remain on any railing, fence or wall.

(G) Barbecue grills or other types of outdoor cooking equipment and apparatus shall be located only at the rear of any Dwelling and, to the extent practicable, shall not be visible from any street.

(H) Bird feeders, wood carvings, plaques and other types of homecrafts shall not be permitted in the front or side yards of any Dwelling nor shall any of the foregoing items be attached to the front side of any Dwelling. All bird feeders, wood carvings, plaques and other types of homecrafts shall be located only at the rear of a Dwelling and shall not be visible from any street.

6.22 Pets and Animals. No animals, livestock, birds or poultry of any kind shall be kept, raised or bred by any Owner upon any Ground Unit, Dwelling or other portion of the Condominium Property; provided, however, that no more than two domesticated animals, except in the case of any new-born litter of any such animal, may be kept in a Dwelling so long as they are not kept for breeding or commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or become a nuisance. All pets must be confined to an enclosed area and not allowed to roam freely. Dogs shall not be allowed out of doors unattended within the Condominium Property; all dogs shall be kept and maintained within a Dwelling or confined area located within the Ground Unit, as approved by the DRB, or otherwise under leash. Pets shall not be permitted to leave excrement on the Ground Unit of any other Owner or within any roadway or any portion of the Common Area and the Owner of such pet shall immediately remove the same. Each Owner shall be liable to the Association for the costs of repairing any damage to the Common Areas caused by the pet of such Owner or Occupant. The Board shall have the right from time to time to promulgate rules and regulations governing keeping the pets within the Condominium Property including the right to assess fines for violations of such rules and regulations.

6.23 Trash, Rubbish and Nuisances.

(A) No trash, garbage, rubbish or debris of any kind shall be dumped, placed or permitted or accumulate upon any portion of a Ground Unit property nor shall any nuisance or odors be permitted to exist or operate upon or arise from any Ground Unit or Dwelling that would render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using, occupying or owning any other Ground Unit or other Unit. Noxious or offensive activities shall not be carried on in or from any Unit or in any part of the Common Areas, and each Owner and Occupant shall refrain from any act or use of a Ground Unit or other Unit that could cause disorderly, unsightly or unkept conditions, result in the cancellation of or increase in insurance coverage or premiums for any portion of the Condominium Property or be in violation of any law, statute, ordinance, rule, regulation or requirement of any Governmental Authority. Without limiting the generality of the foregoing, no horns, whistles, bells, speakers or other sound devices, other than reasonable security and fire alarm devices used exclusively for such purposes, shall be located, used or placed upon any Ground Unit or other Unit; provided, however, that the foregoing shall not apply to the reasonable use of any of the foregoing devices within any recreational areas of the Common Areas. Any Owner or Occupant or any of the respective family members, guests, invitees, servants, agents, employees or contractors of such Owner or Occupant who dumps, places or allows trash or debris to accumulate on his or her Ground Unit, or the on any other portion of the same. The Board shall have the right from time to time to promulgate rules and regulations governing keeping the disposal of trash, garbage, rubbish or debris within the Condominium Property, including the right to assess fines for violations of such rules and regulations.



(B) Trash, garbage and any other refuse or waste shall be kept on any Ground Unit or Dwelling except in sanitary containers or garbage compactor units. Trash cans and containers shall at all times be kept at the rear of or inside a Dwelling and shall be screened from view from streets, and adjacent Ground Units and Dwellings by appropriate landscaping or fencing approved by the DRB; provided, however, that trash cans and containers may be moved to the side yard or front yard, as determined by the DRB, of any Dwelling on trash collection days for such Ground Unit.

(C) Except as otherwise provided in Section 6.28(a) below, no outdoor burning of trash, garbage, leaves, wood, shrubbery or other materials shall be permitted on any Ground Unit or other portion of the Condominium Property.

(D) Security and fire alarm devices used exclusively for such purposes shall be allowed only if the Owner or Occupant can demonstrate that procedures are in place to shut off such devices within a short amount of time (i.e. 30 minutes or less) whether or not the Owner or Occupant is at the Dwelling.

#### 6.24 Recreational Vehicles and Machinery and Equipment.

(A) Mobile homes, motor homes, trailers of any kind, campers, vans, motorcycles, bicycles, motorized carts and all terrain vehicles, lawnmowers, tractors, tools, construction machinery and equipment of any nature, golf carts, boats and any other type of watercraft, including boat trailers, and any other similar types of vehicles, machinery or equipment shall not be permitted, stored or allowed to remain on any Ground Unit or Dwelling unless the same is placed, stored and maintained within a wholly enclosed structure, with roofing and doors, on such Ground Unit, or in the event the Dwelling is constructed on pilings, then it may be placed underneath the Dwelling. Any such enclosed structure or underneath area must be approved by the DRB. The Common Areas shall not, unless expressly permitted by the Association, be utilized for the parking or storage of any of the foregoing vehicles, recreational vehicles, machinery or equipment. This paragraph is not intended to restrict the temporary parking of a motor home at a Dwelling for period not to exceed three (3) nights out of every seven (7) nights. Any temporary parking of a motor home which exceeds three consecutive nights shall require the approval of the Association.

(B) Each Dwelling shall provide for adequate off street parking (i.e., parking areas located solely within the area of the Ground Unit). Vehicles shall be parked only in driveways constructed in accordance with the provisions of Section 6.20 above, or in garages constructed in accordance with the provisions of Section 6.14 above. Vehicles shall not be parked on any landscaped or natural areas of a Ground Unit.

(C) Any vehicle that is inoperable shall be immediately removed from the Condominium Property. No Owner or Occupant shall repair or restore any vehicle, machinery or equipment of any kind upon or within any Ground Unit or within any portion of the Common Areas, except (i) within enclosed garages or workshops or (ii) for emergency repairs and then only to the extent necessary to enable the immediate movement thereof to a proper repair facility located outside of the Condominium Property.

(D) Subject to the prior written approval of the Association, that may be withheld in the sole discretion of the Association, the Board shall have the right at any time and from time to time to adopt rules and regulations with respect to the keeping, storage, parking, operation, use or maintenance of mobile homes, tractors, equipment, machinery, trailers (with or without wheels), motorhomes, trucks (other than pick-up trucks), commercial vehicles of any type, campers, motorized campers or trailers, boats or other watercraft, vessels, boat trailers, motorcycles, motorized bicycles, all-terrain vehicles, motorized go-carts and other forms of transportation.

6.25 Signage. No signs or advertising posters of any kind (including, but not limited to, "For Sale" or "For Rent" signs) shall be maintained or permitted within any windows or on the exterior of any Ground Unit or Dwelling or elsewhere on any portion of the Condominium Property without the express written permission of the DRB and except as permitted by applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof and except signs placed on Ground Units or other Units or elsewhere on the Property by the Developer. The DRB may promulgate rules, regulations and standards for the use and design of any sign to be posted within the Condominium Property, including, but not limited to, name and address signs and the signs referred to in Section 6.28(c). Notwithstanding the foregoing, (a) the restrictions set forth in this Section 6.25 shall not be applicable to Developer or to any signs erected pursuant to Section 6.28(c) below, (b) Developer and the Association shall have the right, but not the obligation, to erect and maintain reasonable and appropriate signs on any portions of the Common Areas.

6.26 Tanks and Wells. No exposed above-ground tanks or underground storage tanks for the storage of fuel, water or any other substances shall be located on any Ground Unit or Dwelling or within any of the Common Areas, EXCEPT a underground storage tank for propane gas will be allowed provided the Ground Unit Owner has the written permission of the Association or DRB, and the installation of the underground storage tank is in accordance with all local and/or national regulations concerning the installation and operation of an underground propane gas storage tank. No private water wells may be drilled or maintained on any Ground Unit.

6.27 Temporary Structures. No temporary house, trailer, shack, tent, barn, shed, stable, poultry house or yard, rabbit hut, treehouse or other outbuilding or structure of any kind shall be permitted, constructed, installed or allowed to remain on any Ground Unit; provided, however, that the foregoing shall not be deemed to prohibit (a) temporary structures for social functions as may be permitted by the rules and regulations of the Board of the Association, (b) any detached garages or other structures that are approved in writing by the DRB, (c) construction trailers and sales offices erected or placed on any part of the Condominium Property by Developer pursuant to Section 5.12 above.

6.28 Construction of Improvements.

(A) During the construction of any Improvements or Dwelling, (i) all Ground Units and Dwellings shall be maintained in a clean condition, free of debris and waste material, (ii) all unused construction materials shall be stored, to the extent practicable, out of view from any street and (iii) all construction trash, debris and rubbish on each Ground Unit shall be placed in a dumpster or other container designed for such purposes and shall be properly disposed of outside the Condominium Property at least weekly. In no event, however, shall any used construction materials be buried on or beneath any Ground Unit or Dwelling or any other portion of the Condominium Property.

(B) During the construction of any Improvements or Dwellings, construction equipment and the vehicles of all contractors, subcontractors, laborers, materialmen and suppliers shall (i) utilize off-street parking only, (ii) enter the Ground Unit or Dwelling on which such Improvements are being constructed from the driveway for such Ground Unit or Dwelling, and (iii) not damage trees or other vegetation on such Ground Unit that, pursuant to the provisions of Section 6.7 above, are to be preserved.

(C) During the construction of a Dwelling, up to two signs, in size and color to be approved by the DRB, may be posted on a Ground Unit at a height not to exceed four feet from the ground level advertising the Ground Unit or the Dwelling thereon for sale and containing information identifying the builder of such Dwelling. No other signage, banners, flags or advertising posters shall be allowed without obtaining DRB approval. The location of such signage shall be established by the DRB but in no event shall any signage authorized by this Section 6.28 or that may be approved by the DRB be attached, nailed or otherwise adhered to any tree or other plant life on a Ground Unit.

(D) No construction trucks, equipment or machinery, including any trailers used for the transportation of construction equipment or machinery, shall be parked overnight on any streets or roads within the Condominium Property. Upon completion of construction of any Improvements or any Dwelling, all construction machinery, tools and equipment, all unused construction materials

and all trash, debris and rubbish shall be immediately removed from the Ground Unit or Dwelling and such Ground Unit or Dwelling shall be kept and maintained in a clean and uncluttered condition.

(E) Construction activities shall be allowed on any Ground Unit or Dwelling only during the hours of 7:00a.m. through 6:00p.m. (local time) on Monday through Friday and 8:00a.m. through 1:00p.m. (local time) on Saturdays, unless prior approval for deviation from those times is obtained from the DRB. No construction activities on Ground Units or Dwellings shall be allowed on Sundays.

(F) All Dwellings and any other Improvements shall be constructed in compliance with the Design Code; all applicable federal, state, county and local laws, ordinances, rules, regulations; and zoning and building code requirements. Each Owner shall be solely responsible for obtaining from the appropriate Governmental Authorities all necessary permits and licenses and otherwise paying all required fees for the construction of any Improvements on such Owner's Ground Unit. Each Owner shall also be responsible for strict compliance with the Design Code and all applicable watershed protection, soil erosion, and other governmental requirement, both during and after completion of construction of any Improvements on such Owner's Ground Unit.

6.29 Subdivision and Interval Ownership. No Ground Unit may be subdivided or resubdivided without the prior written approval of the DRB; provided, however, that the provisions of this Section 6.29 shall not be applicable to Developer. No Ground Unit, Dwelling or other Unit shall be sold or owned under any time-sharing, time-interval or similar right-to-use programs.

6.30 Swimming Pools and Tennis Courts. Swimming pools, outdoor hot tubs and whirlpools may be constructed, installed and maintained on a Ground Unit subject to the prior written approval of the plans for the same by the DRB. Tennis courts, above-ground pools and pool cages shall not be permitted on Ground Unit. The DRB shall have the right to adopt further rules and regulations governing the construction of swimming pools and other outdoor water features or amenities within the Condominium Property.

#### 6.31 Traffic Regulations.

(A) Adoption and Enforcement. All vehicular traffic on the private streets and roads in the Condominium Property shall be subject to the applicable provisions of the laws of the State of Alabama and any other city or county having jurisdiction thereof concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including adopting reasonable safety measures and speed limits for any of the private roads within any portion of the Condominium Property. The Association shall be entitled to enforce such rules and regulations by establishing such enforcement

procedures as it deems appropriate, including levying fines for the violation thereof. In the event of any conflict between the provisions of the laws of the State of Alabama and the traffic rules and regulations promulgated by the Association, the more restrictive shall govern.

(B) Operation of Motor Vehicles. Only drivers licensed to operate motor vehicles by the State of Alabama or by any other state in the United States may operate any type of motor vehicle, including golf carts, within the Condominium Property. In order to operate a golf cart or similar device in the Condominium Property, the Owners or users thereof shall comply with any regulations and requirements for the operation thereof as may be required by the Association. All vehicles of any kind and nature that are operated on the streets in the Condominium Property shall be operated in a careful, prudent, safe and quiet manner, and with due consideration for the rights of all residents of the Condominium Property.

6.32 Compliance with Governmental Regulations. Each Owner and Occupants shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, requirements and code provisions of the Governmental Authorities.

6.33 Additional Regulations. In addition to the restrictions set forth in this Declaration, the (i) DRB shall have the right, in its sole discretion, from time to time and at any time to adopt, modify and amend the Design Code to impose other, further or different requirements or restrictions, which requirements or restrictions shall be binding on all Owners, Ground Units and Dwellings, including the adoption of additional or more specific requirements and restrictions governing the improvement and use of any Ground Unit or Dwelling and (ii) the Association shall have the right from time to time and at any time to adopt, modify and amend such rules and regulations as the Association, in its sole discretion, determines to be in the best interests of all Unit Owners, which rules and regulations shall be binding on all Unit Owners.

6.34 Variances. The DRB, in its sole and absolute discretion, shall have the exclusive right to grant variances and exceptions with respect to the provisions of Article 5 above and this Article 6 with respect to any Ground Unit or Dwelling. Any request for the variance or exception submitted to the DRB shall be in writing and, upon approval of the same by the DRB, shall be evidenced by a written document executed by either the chairman or vice chairman of the DRB. The provisions of Section 5.3 above concerning meetings, a quorum of members and the number of votes necessary to approve action taken by the DRB shall be binding upon the DRB in any matters regarding the granting of variances.

6.35 Enforcement and Remedies. If any of the provisions of this Article 6 are breached or are not otherwise being complied with in all aspects by any Owner or Occupant or the respective family members, guests, invitees, agents, employees or contractors of any Owner or Occupant, then the Association or the DRB shall

each have the right, but not the obligation, at its option, to (a) enjoin such violation or noncompliance or (b) through their designated agents, employees, representatives and independent contractors, enter upon such Ground Unit or Dwelling and take all action necessary to extinguish or correct such violation or breach. All costs and expenses incurred by the DRB or the Association in enforcing any of the provisions of this Article 6, including, without limitation, attorney's fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of any noncompliance or the removal of such violation or in any judicial proceeding, together with any other costs or expenses incurred by the DRB or the Association in connection therewith, shall be paid by such Owner who has violated or breached any of the provisions of this Article 6, shall constitute an individual Assessment to such Owner pursuant to Section 8.06 and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.07 and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the DRB and the Association set forth herein shall not be deemed exclusive of any other rights and remedies that the DRB or the Association may exercise at law or in equity or any of the enforcement rights specified in Article VIII.

#### ARTICLE VII

##### ORGANIZATION AND MANAGEMENT

7.01 Management of the Condominium Property. The operation and administration of the Common Elements and the Condominium Property shall be performed by the Association. The powers and duties of the Association shall include those set forth in the Act, the Alabama Nonprofit Corporation Act, Code of Alabama 1975, Section 10-3A-1 et seq., this Declaration, the Articles of Incorporation and the By-Laws.

7.02 Members. The Members of the Association shall constitute all record Owners of the Units. Change of membership in the Association shall be established by recording in the Probate records of Baldwin County, Alabama, the deed or other instrument establishing record title to a Unit of the Condominium Property, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. The votes shall be cast in the manner provided in the Articles and By-Laws of the Association. Each Unit shall be allocated 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, and as set forth in Exhibit "E" attached hereto and all amendments thereto.

7.03 By-Laws. The By-Laws of the Association shall be in the form attached as Exhibit "B" to this Declaration, and made a part hereof for all purposes, and may be amended from time to time as set forth therein.

## ARTICLE VIII

### ASSESSMENTS

8.01 Liability, Lien and Enforcement. The Association is given the authority to administer the operation and the management of the Common Elements and the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all units.

8.02 Assessments. All assessments for the payment of Common Expenses shall be levied annually and paid monthly by the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and each Owner's Unit shall bear the same fractional share of such assessment as the fractional share of ownership for the undivided interest in the Common Elements and Limited Common Elements appurtenant to said Unit. The assessments for Common Elements and Limited Common Expenses shall be payable over the course of the year in advance in monthly installments commencing on the date of the purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors in accordance with the Association's By-Laws.

8.03 Annual Budget. Within sixty (60) days prior to the beginning of each fiscal year of the Association, the Board of Directors shall adopt a proposed annual budget for the next fiscal year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefor if the Board of Directors shall so provide, in accordance with the Act and this Declaration. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors, copies of said budget shall be made available to each Member. The Board of Directors shall set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after

mailing or delivering the budget to the Members. Unless at such meeting a majority of the Members present in person or by proxy reject the budget, the budget is ratified. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time as a new budget is ratified. If the budget is ratified, the assessment for said year shall be established based upon such budget.

Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and nonpayment of any Owner's assessment, the Board of Directors shall have the authority to levy such additional assessment as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act. The initial projected and estimated annual maintenance budget for the Condominium Property is attached to this Declaration as Exhibit "G", and made a part hereof for all purposes.

8.04 Omission of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

8.05 Detailed Records. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements and the Limited Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the Member's representative at convenient hours on weekdays in a location designated by the Board of Directors in Mobile or Baldwin County, Alabama.

8.06 Payment of Common Expenses and Limited Common Expenses by Unit Owners. All Unit Owners shall be obligated to pay the assessment for Common Expenses and/or Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Declaration. No Unit Owner may be exempted from liability for such Unit Owner's contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of an Owner's Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against such Owner's Unit subsequent to a sale or other conveyance by the Owner of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against such Unit up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser thereof. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be



concluded only upon compliance with the other provisions of this Declaration, the Association, upon written request of the Owner or purchaser of such Unit, shall furnish to the Owner, the purchaser or any proposed Mortgagee (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be applied by the Purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before application of the payment to the selling Unit Owner.

8.07 Default in Payment of Assessments. The payment of any assessment or installment thereof due the Association shall be in default if such Assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the rate established by the Board of Directors of the Association not exceeding eighteen percent (18%) per annum until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Owner of each Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees and court costs incurred by the Association in collecting delinquent assessments and enforcing the same upon said Unit and its appurtenant undivided interest in the Common Elements and/or Limited Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Alabama, which contain a power of sale. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate on judgments or the rate established by the Board of Directors, whichever is greater, on any such advance made for such purpose. 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 rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

The lien herein granted to the Association shall be effective from and after the time of the recording of this Declaration in the Office of the Judge of Probate of Baldwin

County, Alabama, and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

8.08 Election of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it, nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

#### ARTICLE IX

##### MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

9.01 The Association's Obligation to Repair. The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the costs of which shall be charged to all Unit Owners as a Common Expense:

(A) the Common Elements which by definition exclude the surfaces of all interior walls, floors, ceilings, entrance doors, and windows (except the painting of the exterior faces of the exterior doors and window frames which shall be the responsibility of the Association);

(B) incidental damage caused to a Unit by any work done by the Association;

(C) portions of all Units contributing to the support of the building, the outside walls and load bearing columns, excluding, however, interior wall and floor surfaces; and

(D) the Limited Common Elements.

This section shall not relieve a Unit Owner of liability for damage to the Common Elements or Limited Common Elements caused by the Unit Owner, the Unit Owner's family members, guests, invitees, lessees or licensees as a consequence of the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Unit Owner, the Unit Owner's family, members, guests, invitees, lessees or licensees shall be a special assessment against the Unit Owner responsible therefor.

9.02 Each Owner's Obligation to Repair.

(A) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each Owner shall, at such Owner's expense, maintain and repair (i) the Boat Slip and/or Private Parking Space assigned to the Unit and (ii) the Private Elements attributable to such Owner's Unit in good tenable conditions and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in such Owner's Unit;

(1) fixtures and equipment in such Owner's Unit, including the refrigerator, stove and all other appliances within the Unit; drains, sinks, plumbing and plumbing fixtures, and connections within the Unit; electrical panels, wiring, outlets, and electrical fixtures within the Unit; interior doors, window frames, screening and window glass; all exterior doors and windows (except the painting of the exterior faces of the exterior doors and exterior windows which shall be the responsibility of the Association); all wall coverings including paint, wallpaper and light fixtures; and all flooring including carpeting, vinyl and ceramic tile within a Unit. In the event an exterior door or exterior window, or a portion thereof requires repair, maintenance or replacement and the same is not promptly done by the Unit Owner, the Association may perform the same, and the cost thereof shall constitute an assessment against the Unit Owner responsible therefor.

(2) plumbing, heating, air conditioning and electrical systems serving only that Unit, including the fuse boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is within another Unit or requires access to another Unit, the repair, maintenance or replacement thereof, shall be performed by the Association, and the cost thereof shall constitute an assessment against the Unit Owner responsible therefor.

(B) Each Unit Owner agrees as follows:

(1) to perform all maintenance, repairs and replacements which are the Unit Owner's obligations under subparagraph (A) of this Section;

(2) to pay all utilities as herein provided and all taxes levied against the Owner's Unit;

(3) not to make or cause to be made repairs to any plumbing, heating, ventilation or air conditioning system located outside the Owner's Unit, but required to be maintained by such Unit Owner elsewhere herein except by licensed plumbers or electricians authorized to do such work by the Association or its delegate;

(4) not to make any addition or alteration to such Owner's Unit or to the Common Elements or Limited Common Elements or to do

any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner or Developer without the prior written consent of the Association and all Unit Owners affected thereby.

(5) not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, excluding any alteration or addition made pursuant to the procedure described in subparagraph (4) above and including, but not limited to, altering in any way exterior doors, windows, or the exterior faces of the exterior doors or windows, affixing outside shutters to windows or painting any part of the exterior of an Owner's Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, which approval will not be unreasonable withheld, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association and the Unit shall be liable for all damages to another Unit or to the Common Elements or Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise; and

(6) to promptly report to the Association any defects or needed repairs for which the Association is responsible. In the event the Unit Owner fails to promptly notify the Association of any such known defects which need to be repaired, the Unit Owner shall be responsible for the cost of any subsequent repairs which are created due to the initial repairs not being reported.

(C) The Association shall be obligated to answer any request by a Unit Owner for any required approval of a proposed addition, alteration or improvement (by painting or otherwise) within forty-five (45) days after such request, but its failure to do so within the stipulated time shall not constitute a consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to an Unit shall be executed by the Association, without, however, its incurring any liability on the part of the Board of Directors or any one (1) of them or the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this section shall in no way make the Association liable for any alterations, additions, or improvements by any Unit Owner. Rather, such review is for

purposes of Aesthetics and control only. The provisions of this section shall not apply to Units owned by the Developer until a deed for such Unit has been delivered to a purchaser other than the Developer.

9.03 Alterations, Additions and Improvements by the Association. Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Article XII of this Declaration, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements which is in accordance with this Declaration and which does not require an expenditure of more than Twenty-Five Thousand and No/100 (\$25,000.00) Dollars, exclusive of any funds applied from the reserves maintained hereunder) unless the same is authorized by the Board of Directors and ratified by the affirmative vote of the voting members casting not less than sixty percent (60%) of the total votes of the Members of the Association present at any regular or special meeting of the Members called for that purpose at which a quorum is present and approved by a majority of the Mortgagees eligible to vote therefor. The cost of the foregoing shall be assessed against the Owners of Units as provided herein except as otherwise provided in this section. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Unit Owners exclusively, or substantially exclusively, benefitting therefrom, and the assessment shall be levied in such proportions as may be determined to be fair and equitable by the Board of Directors. Alterations, improvements or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation of the same is necessary and in the best interest of the Members.

9.04 Utilities. Each Unit Owner shall be required to pay all charges for utilities, including but not limited to electricity, gas, cable television, and telephone service, used or consumed in an Owner's Unit. The utilities serving the Common Elements only shall be separately metered and paid by the Association as a Common Expense. The Association shall be responsible for the payment of the common water and sewage used in the Units and the Common Elements. The Association shall have authority to pay the cost of the utilities used or consumed in the Units and have the costs thereof apportioned among the Units based upon use of the utility or any other formula the Association may deem appropriate. The cost of any utilities which service an individual Boat Slip in the Private Marina shall be the responsibility of the Owner of the Unit to which it has been assigned.

#### 9.05 Developer's Right to Assign Boat Slips.

(A) Developer reserves the right to assign Boat Slips in the Private Marina to Units in Phase I and any future Phase dedicated to the condominium form of ownership. The Developer shall develop a Master Dockage Plan for the assignment of Boat Slips in the Private Marina to individual Units. The Master Dockage Plan shall be maintained at the offices of the Association and made available for review by Unit Owners, or their authorized agents. Developer shall be the sole authority in assigning Boat Slips in the Private Marina, and the Association shall have no authority to assign Boat Slips. At the time the Developer assigns a Boat Slip or Boat Slips to a Unit, the Developer will notify the Association, in writing, of said assignment and the Association will enter the assignment on the Association's Master Dockage Book which it will maintain at its offices, and will further enter the Unit number on the Master Dockage Plat, in the appropriate Boat Slip or Boat Slips, which it shall maintain at its offices.

Once a Unit has been assigned a Boat Slip in the Private Marina and the same has been recorded in the Master Dockage Book and placed on the Master Dockage Plat, said Boat Slip shall become an appurtenance to the Unit it has been assigned and will be for the exclusive use and enjoyment of that Unit, subject to the Association's rules and regulations. The Association shall have no authority to assign Boat Slips, nor control how the Developer assigns Boat Slips, but shall have the authority to promulgate reasonable rules and regulations concerning the Boat Slips use and enjoyment.

(B) Developer is not required or obligated to assign a Boat Slip in the Private Marina to each Unit in Phase I or any future Phase. A Unit can be assigned more than one (1) Boat Slip.

#### 9.06 Ground Unit Owners Additional Obligations to Repair.

(A) Unless specifically identified herein as being the responsibility of the Association, the maintenance and repair of all Ground Units, Dwellings, and all other Improvements situated thereon or therein and all lawns, landscaping and grounds on or within a Ground Unit or Dwelling shall be the responsibility of the Owner of such Ground Unit. Each Owner shall be responsible for maintaining his, her or its Ground Unit or Dwelling, as the case may be, in a neat, clean and sanitary condition, both inside and outside of any Dwellings or Improvements thereto. Such responsibilities shall include, without limitation, maintaining at all times appropriate paint and stain finishes on all Dwellings and other Improvement and reroofing or replacing roofing shingles when the same become worn or would be replaced by a prudent Owner. No exterior changes, alterations or Improvements shall be made to any Ground Unit or Dwelling without first obtaining the prior written approval of the same from the DRB.

(B) Each Ground Unit or Dwelling, as the case may be, shall be landscaped in accordance with plans and specifications submitted to and approved by the construction of a Dwelling thereon shall at all times be maintained by the Owner in a fully and well-kept landscaped condition utilizing ground cover, shrubbery and trees, as appropriate. The maintenance obligations set forth in this Section 7.1(b) shall apply to all portions of a Ground Unit or Dwelling and shall be applicable at all times, whether prior, during or after the construction of any Improvements thereon. Grass, hedges, shrubs, vines and any other vegetation of any type on any Ground Unit shall be cut and trimmed at regular intervals at all times to maintain the same in a neat, safe and attractive condition. Dead and diseased trees, shrubs, vines, plants and other vegetation shall be promptly removed and replaced with healthy, living plants of like kind and quantity. Dead vegetation, stumps, weeds, rubbish, debris, garbage and waste material shall be promptly removed from any Ground Unit or Dwelling and properly disposed of outside of the Condominium Property.

(C) No Owner shall (i) modify, change or otherwise alter the appearance of any portion of the exterior of a Dwelling or the landscaping, grounds or other Improvements within a Ground Unit unless such modification, change or alteration is first approved, in writing, by the DRB as provided in Sections 5.5 and 5.6 above or (ii) do any work that, in the reasonable opinion of the DRB, would jeopardize the soundness and safety of the Condominium Property, reduce the value thereof or impair any easement or hereditament thereto, without in every such case obtaining the prior written approval of the DRB.

(D) If the Board of the Association determines that (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items that he, she or it is responsible for hereunder or (ii) any maintenance, cleaning, repair or replacement that the Association, as the case may be, is responsible for hereunder is caused by the willful or negligent act of an Owner or Occupant, or their respective family members, guests, servants, employees, invitees or contractors, and the costs of such maintenance, cleaning, repair or replacement are not paid in full from insurance proceeds, if any, received by the Association, as the case may be, with respect thereto, then, in either event, the Association, in addition to the exercise of any of its rights and remedies set forth in this Declaration, may give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of Owner and setting forth in reasonable detail what action is deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen days within which to complete the same in a good and workmanlike manner or, if the same is not capable of completion within such fifteen day period, to commence such maintenance, cleaning, repair or replacement and to proceed diligently with the completion of the same in a good and workmanlike manner. In the event of emergency situations or the failure by any Owner to comply with the provisions hereof after

such notice, the Association may provide (but shall not be obligated to provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of the Owner and said cost shall be a personal obligation of such Owner, shall constitute an individual Assessment to such Owner, and shall be subject to the lien and foreclosures rights granted pursuant to Article VIII.

#### ARTICLE X

##### RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

10.01 Rules and Regulations of the Association. The Association is authorized to promulgate, amend and enforce the Rules and Regulations concerning the operation and use of the Condominium provided that such Rules and Regulations are not contrary to or inconsistent with the Act and the Condominium Documents. A copy of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time they become effective. All present and future Unit Owners, tenants, occupants, and any person who uses any part of the Condominium Property in any manner, are subject to, and shall comply with the provisions of the Condominium Documents and the Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any one (1) person shall constitute such person's agreement to be subject to and bound by the provisions of the Condominium Documents and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by an Owner, an Owner's family members, guests, invitees, lessees or renters, including the payment of penalties for such violations.

10.02 Restrictions on Use. The use of the Condominium Property is subject to the following restrictions:

(A) Each Unit is hereby restricted to residential use and the parking areas shall be used exclusively for the parking of passenger automobiles or small to intermediate pick-up trucks and in accordance with the rules and regulations of the Association. The foregoing restriction as to residential use, however, shall not be construed in such a manner as to prohibit a Unit Owner from maintaining his personal professional libraries, or from keeping his personal business or professional records or accounts, or from handling his personal business or professional telephone calls or correspondence, or from leasing his Unit. Such uses are declared expressly customarily incidental to the principal residential use and not in violation of said restrictions. A Boat Slip located in the Private Marina shall not be used for commercial purposes or for the hiring of vessels.



(B) There shall be no obstruction of the Common Elements or Limited Common Elements, nor shall anything be kept or stored in the Common Elements or stored in the Limited Common Elements except in approved storage areas, nor shall anything be constructed on or planted in or removed from the Common Elements or Limited Common Elements, nor shall the Common Elements in any other way be altered without the prior written consent of the Association.

(C) No immoral, improper, offensive or unlawful use shall be made of any Unit, Private Parking Space, Boat Slip or Common Elements or Limited Common Elements, or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Condominium Property shall be observed.

(D) No owner shall permit anything to be done or kept in an Owner's Unit or Boat Slip or in the Common Elements or Limited Common Elements which will result in any increase of fire, liability or hazard insurance premiums or the cancellation of insurance on any part of the Condominium Property, or which would be in violation of any law. No waste shall be committed to the Common Elements or Limited Common Elements.

(E) No sign of any kind shall be displayed to the public view on or from any part of the Condominium Property without the prior written consent of the Board of Directors, except signs temporarily used by the Developer in the selling or leasing of the Units, or signs used in accordance with this Declaration.

(F) No noxious or offensive activities shall be carried on, nor shall any outside lighting or sound speakers or other sound producing devices be used, nor shall anything be done, on any part of the Condominium Property which, in the judgment of the Board of Directors, may be or become an unreasonable annoyance or nuisance to the other owners.

(G) No Owner shall cause or permit anything to be placed on the outside walls of any Owner's Unit or Boat Slip, and no sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of any building or any part thereof, without the prior written consent of the Board of Directors.

(H) No clothes, sheets, towels, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Elements or Limited Common Elements. The Common Elements and Limited Common Elements shall be kept clear of rubbish, debris and other unsightly materials.

(I) No animals or pets of any kind shall be kept in any Unit or Boat Slip or on any portion of the Condominium Property except with the written consent of the Board of Directors and shall be subject to the provisions of this Declaration and the rules and regulations of the Association governing the keeping of pets; provided that such consent may be terminated without cause at any

time by the Board of Directors of the Association. No animal 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 Condominium Property within seven (7) days from the day the owner receives the written notice to remove the animal or pet. The Owner of any pet or animal shall be liable for any and all damage caused by such pet or animal to any part of the Condominium Property.

(J) The amount that a Unit Owner may receive for a Unit Owner's property upon condemnation of all or part of the Condominium Property is determined by the Declaration in Article XIII. In the Event of casualty loss to a Unit or the Condominium, the amount a Unit Owner may receive for such Unit Owner's property is determined by the Declaration. Upon termination of the Condominium, the amount that a Unit Owner may receive for such Unit Owner's property is determined by the Declaration in Articles XIV. There is no limit to the amount a Unit may be sold for by the Unit Owner, nor to the amount, which might be received by a Unit Owner when the Unit Owner sales his Unit.

(K) No Owner shall maintain a Vessel moored in the Private Marina or moored in a Boat Slip in an unsightly, negligent, unseaworthy or dangerous conditions. The Association shall have the right to prescribe rules and regulations concerning and affecting the manner of use, maintenance and rental of, operating procedures and the condition and maintenance of Vessels. No Boat Slip may be occupied by a Vessel unless the Vessel meets the standards of the Association. The minimum standards, as promulgated by the Association, shall be enforced by the Board of Directors and shall require the Vessel to comply with terms hereof, the rules and regulations adopted by the Association and all other documents in connection therewith. The Board of Directors shall have the right to (i) approve or disapprove any Vessel which the Board of Directors determines does not meet the standards of the Board of Directors or (ii) cause the immediate removal of any Vessel which is not in compliance with the Declaration, the rules and regulations or any other documents in connection therewith. The rights and powers granted to the Board of Directors under the Declaration, including the right to approve or disapprove any Vessel, or remove any Vessel as aforesaid, shall not be deemed to create any liability of the Board of Directors or the Association or of their officers, directors or members as to the unsafe or unseaworthy condition of any Vessel or any damage to persons or property arising therefrom.

No Owner or Occupant shall do, suffer or permit to be done anything upon or with a Boat Slip or upon a Vessel moored thereto, which would impair navigation or the soundness or safety of the Private Marina (including the harbor) or which would be noxious or offensive or in interference with the peaceful possession or proper use of other Boat Slips, or which would require any alteration of or addition to any of the improvements to be in compliance with any application law or regulation, or which would otherwise be in

violation of law. The Association shall have the right, but not the obligation, to inspect any Vessel in the Private Marina to determine its seaworthiness, cleanliness and compliance with all applicable City, County, State and Federal fire, safety and other regulations, as well as to determine whether the Vessel fits within the regulations, applicable to Boat Slips. The Association shall have the right (but shall not be required) to remove any Vessel from the Private Marina which fails to comply with said regulations or fails to fit within the Boat Slip. No recreational swimming shall be permitted within the waters of the Private Marina, and no recreational diving shall be permitted from the Private Marina or from any Vessel. No Vessel shall be used as a residence within the Private Marina. No repairs or other maintenance other than routine cleaning, routine interior preventative maintenance, minor interior repairs and/or varnishing may be conducted in a Boat Slip or the Private Marina without the written permission of the Association. No grinding or spray painting may be performed on the Condominium Property.

Each Owner or Occupant shall indemnify, defend and save the Association, its agents, employees and designees from and against any loss or damage incurred in connection with the exercise or nonexercise of the rights of the Association hereunder.

(L) Motorcycles, motor bikes, motor scooters or other similar vehicles shall not be operated within the Condominium Property except for the purpose of ingress or egress or transportation, it being intended that said vehicles shall not be operated so as to annoy or disturb persons or endanger persons or property. All operators of vehicles shall operate them in accordance with the Traffic Regulations set forth in this Declaration.

(M) Unit Owners may lease their Units, provided that such lease and the rights of any tenant thereunder are made subject to the power of the Association to prescribe reasonable rules and regulations relating to the leasing or rental of Units and to enforce the same directly against such tenant or other occupant, including but not limited to eviction. Individual rooms located within a Unit shall not be rented.

(N) All persons using the swimming pools do so at their own risk and the Association is not responsible for any accident or injury in connection with use of the pools or for any loss or damage to personal property. Persons using the pool areas agree not to hold the Association, its officers, employees or agents liable for any actions of whatever nature occurring within the pool areas. The pool areas shall be used in accordance with such rules and regulations as shall from time to time, be promulgated by the Board of Health of Baldwin County, Alabama, and/or by the Board of Directors of the Association.

10.03 Right of Access. Each Unit Owner grants a right of access to such Owner's Unit to the Association, and to any other person authorized by the Association for the purpose of making

inspections and for the purpose of correcting any condition originating in an Owner's Unit and threatening other Units, Common Elements or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within an Owner's Unit, if any, or to correct any conditions which violates the provisions of any Mortgage covering another Unit or to enforce any provisions of the Condominium Documents, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency such right of entry shall be immediate whether the Unit Owner is present at the time or not. Each Unit Owner further grants a right of access to such Owner's Unit to the Developer and/or the Developer's agent for the purpose of making all repairs required by any warranty delivered to the Unit Owner at the closing of an Owner's Unit. To the extent that damages inflicted on the Common Elements, Limited Common elements or any Unit through which access is taken, the Unit Owner or the Association, if it causes the same, shall be liable for the prompt repair thereof.

10.04 Limitation of Liability. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds or problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Unit for the loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for any reason, except by action taken by the Board of Directors of the Association in accordance with the By-Laws.

10.05 Abatement of Violations. The violation of any Rule or Regulation adopted by the Board of Directors or breach of the provisions of the Condominium Documents, shall give the Developer, the Association, or any Unit Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including court costs, attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner, upon all of such defaulting Owner's additions and improvements thereto and a security interest under the Alabama Uniform Commercial Code upon all of such defaulting Owner's personal property in such defaulting Owner's Unit or located

elsewhere on the Condominium Property. Nothing herein contained shall prevent an Owner from maintaining such an action or proceeding against the Association and the expense of any action to remedy a default of the Association shall be a Common Expense if a court of competent jurisdiction finds the Association to be in default as alleged in such action or proceeding.

10.06 Failure of the Association to Insist on Strict Performance; No Waiver. Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors of the Association.

## ARTICLE XI

### RIGHTS OF MORTGAGEES

11.01 Notification of Mortgagees Required. Any Mortgagee shall have the right to be given written notification by the Association of (a) any ninety (90) day default by the Owner of the Unit covered by the Mortgage in the payment of assessments or in any other provision of the Condominium Documents; (b) any loss to or taking of the Common Elements or Limited Common Elements if such loss or taking exceeds Ten Thousand and No/100 (\$10,000.00) Dollars; (c) damage to a Unit covered by the Mortgage if the amount of such damage exceeds Twenty Thousand and No/100 (\$20,000.00) Dollars; (d) any condemnation of all or a portion of the Condominium Property; (e) a lapse or cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specified percentage of Mortgagees.

11.02 Right of Inspection. Mortgagees shall have the right to examine the books and records of the Association or the Condominium Property and to receive annual reports, other financial data, and, upon request, an annual audited statement, within ninety (90) days following the end of any fiscal year of the Association

11.03 Required Reserve Funds and Working Capital Fund. Assessments levied by the Board of Directors shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements and Limited Common Elements that must be replaced or repaired on a periodic basis, and may be payable in

regular installments rather than by special assessments. A working capital fund shall be established for each unit Owner purchasing a Unit from the Developer.

#### 11.04 Priority of Mortgagees.

(A) Any lien which is or may be created hereunder upon any Unit, including but not limited to, the lien created for assessments herein and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any Mortgage upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to this Declaration on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein.

Notwithstanding the above, the lien created pursuant to this Declaration is prior to any Mortgage to the extent of the Common Expense assessments based on the annual budget which would have become due in absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the lien.

(B) No provision of this Declaration, the Articles, the By-Laws or the Rules and Regulations shall be construed to grant to any Unit Owner, or to any other party any priority over any rights of the Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or the Common Elements, the Limited Common Elements or any portion thereof.

(C) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing authority which may become liens prior to a Mortgage, shall be separately assessed against and collected on each Unit as a single parcel, and not on the Condominium as a whole.

(D) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

11.05 Request for Protection by Mortgagees. Whenever any Mortgagee desires the benefit of the provisions of this Article to be applicable to such Mortgagee, the Mortgagee shall serve written notice of such fact upon the Association, by registered or certified mail, addressed to the Association, and actually mailed to the Association's address, identifying the Unit upon which it holds a Mortgage or identifying any Units owned by it, together

with sufficient pertinent facts to identify any Mortgage which may be held by the Mortgagee. Said notice shall designate the place to which the notices are to be given by the Association to such Mortgagee.

## ARTICLE XII

### CASUALTY LOSS AND INSURANCE

#### 12.01 Responsibility of Owners; Separate Insurance Coverage.

(A) The Owner of each Unit may, at the Unit Owner's expense, obtain insurance coverage for loss of or damage to the Private Elements, any furniture, furnishings, personal effects, and other property belonging to such Owner, and may, at the Unit Owner's expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Unit or upon the Common Elements or Limited Common Elements. Risk of loss of or damage to any furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored in any Unit, or in or upon Common Elements or Limited Common Elements, shall be borne by the owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Elements and held for the joint use and benefit of all Owners of Units shall be covered by such insurance as the same shall be maintained in force and effect by the Association as hereinafter provided. All insurance obtained by the Owner of each Unit shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or the Developer, and their respective servants, agents, employees and guests. The Association shall not be responsible for providing insurance coverage on any Private Elements.

(B) Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property other than property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance. In the event casualty insurance maintained by an Owner causes a decrease in the amount of the insurance coverage maintained by the Association for the benefit of all Owners on a casualty loss to the Condominium Property by reason of proration or otherwise, the Owner so maintaining such insurance shall be deemed to have assigned to the Association the proceeds collected on such policy for loss or damage to the Condominium Property and such proceeds shall be paid directly to the Association by the insurer. Any such insurance proceeds shall be applied and distributed by the Association in accordance with this article.

#### 12.02 Insurance to be Maintained by the Association.

(A) Hazard Insurance. The Association shall obtain and maintain at all times a policy or policies of multi-peril type

hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, location and use, insuring the Condominium Property against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements. If the Condominium Property is located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Board shall, to the extent obtainable, insure the insurable property included in the Condominium Property against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than one hundred percent (100%) of the then current replacement cost of the improvements, including fixtures, equipment and other personal property inside the Units in the Condominium Property (but excluding land, foundations, excavations and other items usually excluded from such insurance coverage). Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association or the Insurance Trustee (hereinafter defined), as trustee for the use and benefit of the individual Owners (without naming them) in the proportionate shares equal to their respective percentage ownership of the Common Elements and their Limited Common Elements. Periodically, but not less than once every three years, the Association shall obtain an opinion or an appraisal from a qualified appraiser for the purpose of determining the full replacement cost of the Common Elements, the Limited Common Elements and the Units for the amount of insurance to be obtained pursuant thereto. The cost of any such opinion or appraisal shall be a Common Expense. All such policies of insurance shall comply with the provisions of this Article and shall (i) contain standard mortgagee loss payable clause endorsement in favor of the Mortgagee or Mortgagees of each Unit, if any, as their respective interests may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner.

(B) Public Liability and Property Damage Insurance. The Association shall obtain and maintain at all times a comprehensive policy or policies of public liability and property damage insurance in such amount, but not less than One Million (\$1,000,000.00) Dollars, and in such form as shall be required by the Association to protect said Association and the Owners of all Units, which provide coverage for bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements and Limited Common Elements and for legal liability resulting from employment contracts to which the Association is a party, and for claims against the officers and members of the Board of Directors for claims arising out of the negligent performance of their duties.



(C) Worker's Compensation Insurance. The Association shall obtain and maintain at all times a policy or policies of worker's compensation insurance to meet the requirements of the laws of the State of Alabama.

(D) Fidelity Bonds. The Association shall obtain and maintain, if available, fidelity bonds for any person who either handles or is responsible for funds held or administered by the Association naming the Association as the obligee. The amount of the fidelity bond should cover the maximum funds that will be in the custody of the Association, but not less than the sum of three (3) months' assessments on all Units plus the reserve funds of the Association, if any.

(E) Other Insurance. The Association shall obtain and maintain such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all Units.

12.03 Governing Provisions. All insurance obtained and maintained by the Association as provided above shall be governed by the following provisions:

(A) All policies shall be written with a company licensed to do business in the State of Alabama and holding a financial rating of "A" or better by Best's Insurance Reports or other then comparable rating.

(B) Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property shall be vested in the Association or its authorized representatives.

(C) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Mortgagees.

(D) The Association shall be required to made every effort to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Developer or the Owners;

(2) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Mortgagee of each Unit;

(3) The insurance coverage will be primary, even if a Unit Owner has other insurance that covers the same loss;

(4) No act or omission by any Unit Owner, unless acting within the scope of Unit Owner's authority on behalf of the

Association, will void the policy or be a condition to recovery under the policy; and

(5) The insurance coverage will comply with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, as they apply to condominiums.

12.04 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements by an Owner shall be assessed against that Owner.

12.05 Insurance Trustee. The Association may engage the services of a bank or trust company authorized to do trust business in the State of Alabama to act on its behalf as an insurance trustee ("Insurance Trustee") and to receive and disburse the insurance proceeds in accordance with the provisions of this Declaration. In the event the lowest of two (2) bids from reputable contractors for making all repairs required by any such loss shall exceed One Hundred Thousand and No/100 (\$100,000.00) Dollars, the Association upon written demand of the Mortgagee of any Unit shall engage the services of a bank or trust company to act as Insurance Trustee as aforesaid. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only, for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units and their Mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, which certificate will be provided to said Insurance Trustee upon request made to the Association. Such certificate is to certify unto said Insurance Trustee the name of the Owner of each Unit, the name of the Mortgagee who may hold a Mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any Unit, and the Unit Owner's respective Mortgagee, as their respective interest may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of all or a portion of the Condominium Property. The rights of the Mortgagee of any Unit shall, notwithstanding anything to the contrary therein or in any Mortgage contained, at all times be subject to the provision hereof with respect to the application of insurance proceeds to reconstruction of the damaged Condominium Property; provided, however, that if the Association or the Insurance Trustee fails to perform all the conditions precedent required by the policy or

policies of insurance, and fails to collect the amount of the loss within the time required by law, and the Mortgagee or Mortgagees are required to avail themselves of their rights under the standard mortgagee clause to collect the proceeds of the policy or policies of insurance, any amount so collected through the efforts of said Mortgagee or Mortgagees shall be applied as directed by said Mortgagee or Mortgagees. No provision hereof shall entitle an Owner or any other party to any priority over a Mortgagee with respect to the distribution of any insurance proceeds with respect to such Unit.

12.06 Loss to Common Elements Only or Limited Common Areas.

In the event of the loss of or damage to only Common Elements, real or personal, by reason of fire or other casualties, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or the Insurance Trustee, as the case may be, to cover such loss or damage shall be applied to the repair replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Association or Insurance Trustee, as the case may be, to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and Unit Owner's respective Mortgagee, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the Owner of each Unit and Unit Owner's Mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Common Elements appurtenant to all Units. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall pay, or shall deposit sufficient funds with the Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be so paid or deposited by the Association with the Insurance Trustee, may be paid by the Association out of its reserve or replacement fund and if the amount in such reserve or replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the Owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

12.07 Loss to Common Elements, Limited Common Elements and/or Private Elements. In the event of loss of or damage to Common Elements, Limited Common Elements and/or any Private Element of any Unit by reason of fire or other casualty, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or Insurance Trustee, as the case may be, to cover such loss or damage, shall be first applied to the repair,

replacement or reconstruction of the Common Elements, then to the repair, replacement or reconstruction of the Private Elements and the Limited Common Elements sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the Association or the Insurance Trustee to the Owners of all Units, and to their Mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided for the distribution of insurance proceeds under this Article. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee, as the case may be, are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the Common Elements, the Limited Common elements and the Private Elements of Units sustaining any loss or damage. If the proceeds of said fire and casualty insurance, if any, are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements, but are not sufficient to repair, replace or reconstruct any loss of or damage to the Limited Common Elements or the Private Elements of Units sustaining damage, then the Association shall levy and collect an assessment from the respective Owners of the Private Elements and/or the Owners to whom Limited Common Elements have been allocated which sustained any loss or damage, and the assessment so collected from said Owner shall be deposited with the Insurance Trustee, if any, so that the sum shall be on deposit for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements, if any, and Private Elements of Units. In said latter event, the assessment to be levied and collected from the Owner of each Private Element sustaining loss or damage shall be apportioned between such Owners in such manner that the assessment levied against each Owner of a Private Element shall bear the same proportion to the total assessment levied against all of said Owners of Units sustaining loss or damage as the cost of repair, replacement or reconstruction of each Owner's Private Element bears to the cost applicable to all of said Private Elements sustaining loss or damage. If the fire and casualty insurance proceeds, if any, payable to the Association or the Insurance Trustee in the event of the loss of or damage to Common Elements, the Limited Common Elements and the Private Elements of Units are not an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements, it being recognized that such insurance proceeds are to be first applied to the payment for repair, replacement or reconstruction of said Common Elements before being applied to the repair, replacement or reconstruction of any Limited Common Elements or Private Elements of a Unit sustaining loss or damage, then the cost to repair, replace, or reconstruct said Common Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from the Owners of all Units in the same manner as would

be levied and collected had the loss or damage sustained been solely to the Common Elements and the fire and casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of the Limited Common Elements and the Private Elements of each Unit sustaining loss or damage shall then be levied and collected by assessment of the Owners of the Private Elements sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between Owners of Limited Common elements and Private Elements sustaining Loss or damage.

12.08 Estimates of Repair; Plans and Specifications; Payment of Assessments. In the event of loss or damage to Condominium Property, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. The estimate of repair shall be based upon the plans and specifications of the original buildings, portions of which are attached as Exhibit "C" to this Declaration as the same may from time to time be amended, or such other plans and specifications as may be approved by the Board of Directors, by all of the Owners of the damaged Units, and by not less than sixty percent (60%) of the Members of the Association including the Owners of damaged Units. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing the Unit Owners in any proceeding, negotiation, settlement, or agreement arising from any loss or damage to the Condominium Property. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors may deem to be in the best interest of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional money required to completely pay for such repair, replacement or reconstruction of said loss or damage whether to be paid by all of the Owners of Units or only by the Owners of Units sustaining loss or damage, or both, as herein provided, shall be paid to the Association and deposited with the Insurance Trustee, if any, not later than thirty (30) days from the date on which the Association or the Insurance Trustee, as the case may be, shall receive the monies payable from the policies of fire and casualty insurance.

### ARTICLE XIII

#### CONDEMNATION

13.01 Condemnation Considered a Casualty Loss. The taking of a portion of a Unit or Private Element, the Common Elements or the Limited Common Elements by eminent domain shall be deemed to be a casualty loss, and except as otherwise provided below, the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be applied and distributed by the Association in accordance with the provisions of Article XII. Even

though the awards may be payable to the Owners, the Owners shall deposit the awards with the Association or Insurance Trustee, as the case may be; in the event of failure to do so, at the discretion of the Board of Directors, a special assessment shall be made against a defaulting Owner in the amount of such defaulting Owner's award, or the amount of such award shall be set off against the sums hereinafter made payable to such Owner. If any Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Mortgagee of such Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition as provided herein, and no provision hereof shall entitle the Owner of such Unit or other party to priority over such Mortgagee with respect to the distribution of any award or settlement to the Owner of the Unit.

13.02 Partial Condemnation. In the event that the Condominium Property is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

(A) If the taking reduces the size of a Unit and the remaining portion of that Unit can be made tenantable, the award for the taking for 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 Property:

(1) The Unit shall be made tenantable.

(2) The balance of the award, if any, shall be distributed to the Owner of the Unit and the Mortgagee of the Unit, as their respective interests may appear.

(3) If there is a balance of the award distributed to the Owner and the Mortgagee, the share of the Common Elements or Limited Common Elements, if any, appurtenant to the Unit shall be equitably reduced. This shall be done by reducing such share by the proportion which the balance of the award so distributed bears to the market value of the Unit immediately prior to the taking, and then re-computing the percentage interest of all Owners in the Common elements and the Limited Common Elements as percentages of the total of their shares as reduced by the taking.

(4) If the taking destroys or so reduces the size of a Unit so that it may not be made tenantable, 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 Property:

(a) The market value of such Unit immediately prior to the taking, shall be paid to the Owner of the Unit and to each Mortgagee of the Unit, as their respective interest may appear.

(b) The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners, in the manner approved by

the Board of Directors; provided, however, that if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner required for further improvement of the Common Elements as provided herein.

(c) The shares in the Common Elements appurtenant to the Units which continue as a part of the Condominium Property shall be equitably adjusted to distribute the ownership to the Common Elements among the reduced number of Owners. This shall be done by re-computing the shares of such continuing Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment.

(d) If the amount of the award for taking is not sufficient to pay the market value of the condemned Unit to the Owner and to restore the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessments against all of the Owners who will continue as Owners of the Units after the changes in the Condominium Property effected by the taking. Such assessment shall be made in proportion to the share of such Owners in the Common Elements after the changes effected by the taking.

(B) If the Market value of a Unit prior to the taking cannot be determined by agreement between the Owner and the Mortgagee and the Association within thirty (30) days after notice by any such party that agreement cannot be reached, such value shall be determined by three (3) independent qualified appraisers with one (1) appraiser to be selected by the Association, one (1) appraiser to be selected by the Owner and Mortgagee, and the third (3rd) appraiser to be selected by the two (2) appraisers so appointed, and the fair market value of the Unit shall be deemed to be the average of the two (2) appraisals of the fair market value of the Unit made by said appraisers having the least difference in amount. The cost of such appraisal shall be assessed against all Owners in the shares of the Owners in the Common Elements as they existed prior to the changes effected by the taking.

(C) Changes in the Units, in the Common Elements and/or Limited Common Elements, in the ownership of the Common Elements and/or Limited Common Elements and in the shares of liability for Common Expenses and/or Limited Common Expenses which are effected by eminent domain, shall be evidenced by an amendment of this Declaration which is approved by the Board of Directors in accordance with this Declaration and the Association's By-Laws.

13.03 Association Appointed as Attorney-In-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the condemnation or taking by eminent domain of the Condominium Property or any portion thereof.

ARTICLE XIV

TERMINATION

14.01 Destruction of the Condominium Property.

(A) Notwithstanding anything to the contrary contained in this Declaration, if the Board of Directors shall determine that either of the following conditions exist:

(1) two thirds (2/3) or more of the Units in the Condominium Property shall have been destroyed or substantially damaged by fire, wind, water, or other natural causes, or a combination of such, (including condemnation); or

(2) the Condominium Property has been in existence in excess of fifty (50) years and substantially all of the Units in the structure have substantially deteriorated and have been rendered substantially obsolete; then the Board of Directors may call a meeting of the Members of the Association to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate the Declaration and remove the Condominium Property from the provisions of the Act if approved by the affirmative vote of at least eighty percent (80%) of the owners of all Units (based upon one vote for each Unit) and by at least eighty percent (80%) of all Mortgagees (based upon one vote for each Mortgage owned) after notice given as provided herein, the Declaration and plan of condominium ownership established herein shall be subject to termination as provided in the Act and the Association shall be authorized to file on behalf of and in the name of the Unit Owners and shall file a petition for such termination and removal with the Circuit Court of Baldwin County, Alabama. If less than eighty percent (80%) of the Owners of all Units and/or less than eighty percent (80%) of the Mortgagees vote in favor of terminating the Condominium Property as herein required, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with these provisions.

(B) In the event that the Circuit Court of Baldwin County, Alabama, shall grant the petition for termination of this Declaration and the plan of condominium ownership as provided in subparagraph (A) above, all of the Owners of Units shall be and become tenants in common as to ownership of the Land and any then remaining improvements thereon. The undivided interest in the Land and remaining improvements held by the Owner of each Unit shall be the same as the undivided interest in the Common Elements which were formerly appurtenant to such Unit, and the lien of any Mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the Land and then remaining improvements as above provided. The Owners of Units to which Limited Common Elements have been allocated in this Declaration shall own each such Limited Common Element appurtenant to each Owner's Unit, and the lien of any Mortgage or other encumbrance upon such Units shall attach to the Limited Common Elements of each respective Owner's Unit. Upon termination of this



Declaration and the plan of condominium ownership established herein, the Owners of all Units still inhabitable shall within sixty (60) days from the date of grant of the petition, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of inhabitable Units and their respective Mortgagees, as their interest may appear, shall become entitled to participate proportionately together with all Owners of uninhabitable Units in the distribution of proceeds in the possession of the Association or the Insurance Trustee. Upon such termination of this Declaration and the plan of condominium ownership established herein, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance indemnity which may be due under any policy or casualty insurance to the Owners of the Units and their Mortgagees as their respective interest may appear, such distribution to be made to the Owner of each Unit in accordance with such Owner's then undivided interest in the Land and remaining improvements as herein provided. The Land and any remaining improvements thereon shall be subject to all Condominium Documents. The assets of the Association upon termination of the plan of condominium ownership created by this Declaration shall then be distributed to the Owner of each Unit and Unit Owner's Mortgagee, as their respective interests may appear, in the same manner as is above provided for the distribution of any final insurance indemnity.

14.02 Termination by Consent. Except in the event of this Declaration and plan of condominium ownership established herein being terminated as provided above, this Declaration and said plan of condominium ownership may only be otherwise terminated by the consent of eighty percent (80%) of the Owners of all Units and all parties holding Mortgages, liens or other encumbrances, against any of said Units in which event the termination of the Condominium Property shall be by such plans as may be then adopted by said Owners and parties holding any Mortgages, liens or other encumbrances. Such election to terminate this Declaration and the plan of condominium ownership established herein shall be evidenced by a termination agreement executed in writing by all of the aforesaid parties in recordable form in accordance with the Act, and such instrument shall be recorded in the Probate Office of Baldwin County, Alabama.

14.03 The Association Appointed as Attorney-In-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the termination of this Declaration and plan of condominium ownership established herein.

ARTICLE XV

AMENDMENT

15.01 Amendments by Developer. Without limiting the rights of the Developer to alter the plans as described above, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Developer from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

(A) The Developer reserves the right to amend the Articles of Incorporation and the By-Laws of the Association until such time as Developer relinquishes control of the Association as provided below.

(B) The Developer reserves the right to amend this Declaration and the Condominium Documents so long as there is no Unit Owner other than the Developer.

15.02 Amendments by Unit Owners. At such time as there is a Unit Owner other than the Developer, then, in addition to the amendments permitted above, the Declaration may be amended in the following manner:

(A) A proposal to amend this Declaration may be considered at any meeting of the Members of the Association called for that purpose in accordance with the provisions of the By-Laws; provided that the Association provides prior written notice of such meeting to the Mortgagees as provided above. The proposal to amend the Declaration must be approved by the affirmative vote of the members representing not less than sixty-six and two-thirds percent (66 2/3%) of the total allocated votes of the Association, or

(B) By unanimous consent or agreement of the Unit Owners as evidenced by their signatures to the amendment.

Notwithstanding the foregoing, no amendment to the Declaration under this article shall:

(1) change a Unit, including the ownership in Common Elements, responsibility for Common Expenses and voting rights without the prior written approval of the Unit Owner or Unit Owners so affected and prior written approval of the holders of record of any mortgage or other liens on the Unit or Units so affected; or

(2) change, impair or prejudice the rights of Developer or change the provisions of this Declaration with respect to the Developer's rights hereunder without Developer's prior written approval.

15.03 Effectiveness of Amendments. Each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been fully adopted, and shall be effective when recorded in the Probate Court of Baldwin County, Alabama.

## ARTICLE XVI

### CONTROL OF THE ASSOCIATION

16.01 Election of Board of Directors. The Developer, its successors or assigns, may appoint and remove the members of the Board of Directors, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (i) sixty (60) days after seventy-five percent (75%) of the total number of Units which may be created have been conveyed to purchasers of Units, or (ii) two (2) years have elapsed from the date the Developer has ceased to offer Units for sale in the ordinary course of business; provided that the Developer may, at its option, terminate its control of the Association at an earlier date. Notwithstanding the foregoing, within ninety (90) days after conveyance of twenty-five percent (25%) of the Units, the Unit Owners other than Developer shall be entitled to elect twenty-five percent (25%) of the members of the Board of Directors. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than Developer, not less than thirty-three and one-third (33 1/3%) of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to appoint at least one (1) member of the Board of Directors as long as the Developer has Development Rights, and such right is not contrary to the other provisions hereof.

16.02 Notice of Meeting. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Association shall call and give not less than ten (10) days nor more than sixty (60) days notice of a meeting of the Unit Owners for the purpose of electing the members of the Board of Directors. Such meeting shall be called and the notice given in accordance with the By-Laws.

### 16.03 Status of Unsold Units.

(A) The Developer shall be deemed to be the Owner of each Unit which has not been conveyed to a person other than the Developer. Unless otherwise provided in the Condominium Documents, the Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Unit under the Condominium Documents.

(B) Any person having a first mortgage lien against any Unit which has not been conveyed to a person other than the Developer, whether under a blanket Mortgage affecting the Condominium Property generally or under a Mortgage on one or more specific Units, shall be deemed to be a Mortgagee with respect to

any such Unit, and shall be entitled to all rights and privileges available to a Mortgagee of any such Unit under the Condominium Documents.

(C) Notwithstanding the provision above, no assessments (excluding the working capital, which will be collected from a purchaser of a Unit at the time of closing) shall be imposed by the Association against the Developer or any other Unit owner for so long as the Developer pays all of the Common Expenses. During such period, Developer shall be responsible for the Common Expenses and Limited Common Expenses of the Condominium Property. The date of the first assessment imposed by the Association shall be determined by the Association, and notice of the assessment will be mailed or delivered to all Owners of Units prior to the effective date of the assessment.

16.04 Professional Management and Other Contracts. Any agreement incurred by the Association prior to the passage of control of the Association from the Developer (including contracts for professional management of the Condominium Property, whether it be the Developer, its successors and assigns, or any other person or entity) shall provide the following:

(A) The Association shall have the right of termination which is exercisable without penalty any time upon not more than ninety (90) days' written notice to the other party thereto; and

(B) The Association shall have a right of termination for cause which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

## ARTICLE XVII

### MISCELLANEOUS

17.01 Rights and Powers of Successors and Assignees. The rights and powers reserved to or exercisable by the Developer under the Condominium Documents or the Act may be exercised by any successor assignee of the Developer (i) who acquires title from the Developer by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Developer specifically assigns such rights and powers.

17.02 Headings. The captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Declaration.

17.03 Gender/Number. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders.

17.04 Exhibits. Exhibits "A", "B", "C", "D", "E", "F" and "G" attached to this Declaration are an integral part of this Declaration.

17.05 Invalidity and Severability. It is the intention of the Developer that the provisions of this Declaration are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

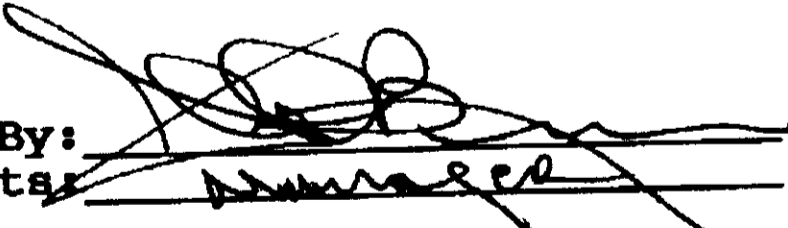
17.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project in accordance with Alabama law. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

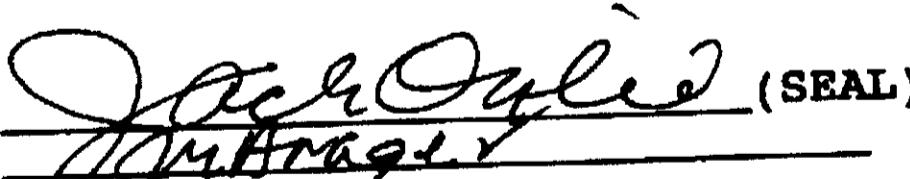
17.07 Conflict or Ambiguity. If any conflict or ambiguity in the terms and provisions of Declaration, the general rules of construction against one party as a result of that party having drafted this Declaration are hereby waived by each Owner and, to the fullest extent allowed by law, no conflicts or ambiguity shall be resolved in favor or to the advantage of one party as opposed to another in interpreting any ambiguity or conflict contained herein.

IN WITNESS WHEREOF, WALKER KEY, L.L.C., an Alabama limited liability company, has caused this instrument to be executed, under seal, by its duly authorized General Manager, whose name is set forth below, this 22 day of December 1998.

WALKER KEY, L.L.C.  
an Alabama limited liability company  
By its General Manager  
CORAL RESOURCES, INC.,  
a corporation


ATTEST:

By:   
Its: General Manager

By:  (SEAL)  
Its: General Manager

WALKER COURT, L.L.C.,  
an Alabama limited liability company

By:  (SEAL)  
Its: General Manager

By:  (SEAL)  
Its: General Manager

By:  (SEAL)  
Its: General Manager

STATE OF ~~ALABAMA~~ FLORIDA  
~~WALKER KEY~~ COUNTY  
ESCAMBIA

ACKNOWLEDGEMENT

I, the undersigned, a Notary Public, in and for said county, in said State, hereby certify that Manager and Manager, whose names as Glen D. Bynum and Jack O'Neil respectively, of CORAL RESOURCES, INC., a corporation, the General Manager of WALKER KEY, L.L.C., an Alabama limited liability company, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation in its capacity as General Manager of the limited liability company, on the day the same bears date.

Given under my hand and official seal this the 22nd day of December, 1998.

*Mary Beth Mathews*  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_

STATE OF Florida  
Escambia COUNTY

ACKNOWLEDGEMENT

I, the undersigned, a Notary Public, in and for said county, in said State, hereby certify that Glen D. Bynum, Jack O'Neil and J. Collier Merrill, whose names as General Manager(s) of WALKER COURT, L.L.C., an Alabama limited liability company, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that being informed of the contents of the instrument, they, as such General Manager(s) and with full authority, executed the same voluntarily for and as the act of said company, on the day the same bears date.

Given under my hand and official seal this the 22nd. day of December, 1998.

*Mary Beth Mathews*  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_

MARY BETH MATHEWS  
"Notary Public-State of FL"  
Comm Exp. July 18, 2000  
Comm No. CC 570521

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1: The East 170.7 feet of Lot Nine (9) of the Subdivision of the G. C. Bill Estate, according to the map thereof recorded in Map Book 3, Page 90, Baldwin County Probate Records.

PARCEL 2: The West 100 feet of Lot Nine (9) of the Subdivision of the G. C. Bill Estate, according to the map thereof recorded in Map Book 3, Page 90, Baldwin County Probate Records.

PARCEL 3: The East 20.7 feet of Lot Ten (10) of the Subdivision of the G. C. Bill Estate according to the map thereof recorded in Map Book 3 Page 90, Baldwin County Probate Records.

PARCEL 4: Lot Eleven (11), according to re-subdivision as shown by the plat prepared by H. W. Graham, Surveyor, a copy of said plat recorded in Deed Book 230, on Page 79, of Lots Numbered Five (5) and Eight (8), in the Subdivision of the lands belonging to the Estate of G. C. Bill, as shown by the map or plat thereof, which is recorded in Map Book 3, at Page 90, Baldwin County, Alabama, records, which property is situated in the William Kee Grant, Section Twelve (12) Township Nine (9) South Range Five (5) East, Baldwin County, Alabama.

EXHIBIT "B"

BY-LAWS

OF

WALKER KEY CONDOMINIUM ASSOCIATION, INC.

ARTICLE I.

THE ASSOCIATION

Section 1. Identity. These are the By-Laws of Walker Key Condominium Association, Inc., a not for profit corporation (the "Association"), which was formed under the Alabama Non-Profit Corporation Act [Code of Alabama 1975 10-3A-1 et seq] by filing the Articles of Incorporation of the Walker Key Condominium Association, Inc., (the "Articles"), with the Office of the Judge of Probate of Baldwin County, Alabama, on March 17, 1999. The Association has been organized for the purposes of providing for the acquisition, operation, management, maintenance, care, control and administration of Walker Key, a condominium (the "Condominium"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991 [Code of Alabama 35-8A-101 et seq.] (the "Condominium Act") and the Declaration of Condominium of Walker Key, a condominium (the "Declaration"), as filed with the Office of the Judge of Probate of Baldwin County, Alabama, in accordance with the provisions of said Act. The terms capitalized herein shall be deemed to have the meanings set forth in the Declaration and the Condominium Act.

Section 2. Principal Office. The principal office of the Association in the State of Alabama shall be located in the City of Orange Beach, County of Baldwin. The Association may have such other offices, either within or without the State of Alabama, as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 3. Registered Office. The registered office of the Association, required by the Alabama Non-Profit Corporation Act to be maintained in the State of Alabama, may be, but need not be, identical with the principal office in the State of Alabama, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERSHIP

Section 1. Annual Meeting. The annual meeting of the Membership shall be held on the third Saturday in the month of January in each year, beginning with the year 199\_\_ at the hour of 11:00 a.m., or at such other time on such other day within such



month as shall be fixed by the Board of Directors, for the purpose of electing directors, if the period of Developer control has ended, and in any event, for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Alabama, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the Membership, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Membership as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the Membership, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by a majority of the Board of Directors and shall be called by the President or the Secretary at the request of holders of not less than twenty (20%) percent of all the outstanding votes of the Membership.

Section 3. Place of Meeting. The Board of Directors may designate any place, within or without the State of Alabama, as the place of meeting for any annual meeting or for any special meeting of the Membership. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be the principal office of the Association in the State of Alabama.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, or of a meeting which is required by statute to be held for any special purpose, or of an annual meeting at which special action is to be taken, the purpose or purposes for which the meeting is called, or the special action which is proposed to be taken, shall, unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than sixty (60) days before the date of meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 5. Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for the purpose of determining the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or for any other proper purpose, such date in any case to be not more than thirty (30) days and, in case of a meeting of the Membership, not less than ten (10) days prior to the date on which the particular action requiring such determination of members is to be taken. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of the Membership, the date on

which notice of the meeting is mailed shall be the record date for such determination of members. When a determination has been made, as provided in this section, such determination shall apply to any adjournment thereof.

Section 6. Voting Lists. The officer or agent having charge of the records of members of the Association shall make, at least ten (10) days before each meeting of the Membership, a complete list of the members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each member and the number of votes to which he is entitled, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by an member making written request therefor at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 7. Quorum. The presence at any meeting of the Membership of the members entitled to cast fifty (50%) percent of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the members so represented may adjourn the meeting and reconvene from time to time without further notice. At any such reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 8. Majority Vote. The vote of members entitled to cast a majority of the votes represented at a meeting of the Membership at which a quorum is present shall be the act of the members of the Association, unless the vote of a greater number is required by law, the Declaration, the Articles, or these By-Laws.

Section 9. Proxies. At all meeting of the Membership, a member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney in fact. A proxy is void if it is not dated or purports to be revocable without notice. such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after one year from the date of its execution, unless a shorter terms is provided in the proxy.

Section 10. Voting Rights. If only one of the multiple Owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is a majority agreement if any one of the multiple Owners cast as the votes

allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

Section 11. Informal Action by Members. Any action required to be taken at a meeting of the Membership, or any other action which may be taken at any meeting of the Membership, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by or under the direction of its Board of Directors.

Section 2. Number, Tenure and Qualifications. The initial Board of Directors shall consist of three (3) directors. The By-Laws may be amended from time to time as provided for herein to increase or decrease the number of directors of the Association to not less than three (3) nor more than seven (7) directors. Each director shall hold office until the next annual meeting of the members and until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed, as provided for herein. A director need not be a member of the Association.

#### Section 3. Election of Directors.

(a) Election of directors entitled to be elected by the members shall be held at the annual meeting, or, if required in accordance with sub-paragraph (b) below, at a special meeting of the Membership. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. The Owner of each whole Unit shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled at the time of the election. There shall be not cumulative voting.

(b) Notwithstanding the provisions of Sub-paragraph (a) above, or anything in these By-Laws to the contrary, the Developer (as defined in the Declaration), its successors and assigns and not members of the Association, shall have the exclusive right to control the Association by electing all of the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (i) sixty (60) days after seventy-five percent (75%) of the total number of Units which may be created have been conveyed to purchasers of Units, or (ii) two (2) years have elapsed from the date the Developer has ceased to offer Units for sale in the ordinary course of business; provided that the Developer may, at its option, terminate its control of the Association at an earlier

date. Notwithstanding the foregoing, within ninety (90) days after conveyance of twenty-five percent (25%) of the Units, the Unit Owners other than Developer shall be entitled to elect twenty-five percent (25%) of the members of the Board of Directors. Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than Developer, not less than thirty-three and one-third (33 1/3%) of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to appoint at least one (1) member of the Board of Directors as long as the Developer has Development Rights, and such right is not contrary to the other provisions of the Condominium Act. Within sixty (60) days before the date of termination of control the Association by the Developer, the Board of Directors shall call and give not less than ten (10) nor more than thirty (3) days notice of a special meeting of the membership for the purpose of electing the members of the Board of Directors.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the Membership, provided, however, any such regular meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings, or in a consent and waiver of notice hereof, signed by all directors. The Board of Directors may provide, by resolution, the time and place, within or without the State of Alabama, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 6. Notice. Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business, because the meeting is not lawfully called or convened. neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors determined in the manner fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any

meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

Section 10. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by a majority of the remaining directors, except as otherwise provided in Section 3 above. A director elected or appointed, as the case may be, shall be elected or appointed for the unexpired term of his predecessor in office.

Section 11. Compensation. By resolution of the Board of Directors, the directors may be paid their expense, if any, of attendance at each meeting of the Board of directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a director or both. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.

Section 12. Committees. The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board, designate on one or more committees, each of which shall consist of two (2) or more directors and which, to the extent provided in said resolution or resolutions or in the By-Laws of the Association shall have and may exercise all of the powers of the Board of Directors in the management of the activities and affairs of the Association and may have power to authorize the seal of the Association to be affixed to all papers which may require it, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the By-Laws; electing, appointing or removing any member of any such committee or any director or officer of the Association; amending the Articles, restating the Articles, adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of assets of the Association; or amending, altering or repealing any action or resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation of such committee or committees or the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it or him by law.

Section 13. Resignations. Any director of the Association may resign at any time, either by oral tender of resignation at any meeting of the Board or by giving written notice thereof to the Secretary of the Association. such resignation shall take effect at the time specified therefor and the acceptance of such resignation shall not be necessary to make it effective.

Section 14. Place of Meeting. The Board of Directors may designate any place within or without the State of Alabama as the place of meeting for any regular or special meeting of the Board of Directors.

Section 15. Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### ARTICLE IV

##### OFFICERS

Section 1. Number. The officers of the Association shall be a President, one or more Vice President(s) (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the President and Secretary. An officer need not be a member of the Association. The failure of the Board of Directors to elect any officers other than a President, a Treasurer and a Secretary shall not constitute a violation of the By-Laws.

Section 2. Election and Term of Office. The officers of the Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Membership. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, by the affirmative vote of the Board of Directors, whenever in their

judgment the best interests of the Association will be served thereby. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create any contract rights in favor of such officer.

Section 4. Vacancies. A vacancy in any office elected or appointed by the Board of Directors because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors of the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Membership. He may sign, with the Secretary or an Assistant Secretary, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform 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. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for the purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the mailing address of each member which shall be furnished to the Secretary by such member; (e) have general charge of the transfer books of the members of the Association; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provision of Article V of these By-Laws; and (c) in general perform all of the duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sum and with such surety or sureties as the Board of Directors shall determine.

Section 9. Assistant Secretaries and Assistant Treasurer. The Assistant Secretaries and Assistant Treasures, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

Section 10. Salaries. The salaries of the officers, if any, shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Association.

#### ARTICLE V

#### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorized any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.



Section 5. Proxies. Unless otherwise provided by resolution of the Board of Directors, the President may from time to time appoint an attorney or agent of the Association, in the name and on behalf of the Association, to cast the votes which the Association may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Association, in meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name and on behalf of the Association, as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed, in the name and on behalf of the Association and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

## ARTICLE VI

### BOOKS AND RECORDS

Section 1. Accounting. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Board of Directors and committees thereof and shall keep at its registered or principal office in Alabama a record of the names and addresses of the members entitled to vote, directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. All books and records of the Association shall be open to inspection by the members of their authorized representatives for any proper purpose at any reasonable time in Baldwin County, Alabama. Such records shall include:

(a) Association Accounts. The receipts and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

(i) Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and Limited Common Elements (as defined in the Declaration) and the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses and Limited Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

(ii) Reserve Funds. All funds to be expended for replacement, acquisition and repair of capital improvements which are a part of Common Elements and Limited Common Elements shall be held in the Reserve Fund Account.

(b) Member Accounts. An account for each member shall be maintained setting forth the name and address of the member, the interest percentage in the Common Elements and Limited Common

Elements, if any, the amount of each assessment, the amounts and dates on which the assessments become due, the amounts paid upon the account and the balance due.

Section 2. Budget. The Board of Directors shall adopt a proposed budget for each calendar and /or fiscal year that shall include the estimated funds required to defray the Common Expenses and Limited Common Expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Within thirty (30) days of adoption of the proposed budget copies of the budget and proposed assessments shall be transmitted to each member of the Association and a date set 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 of the budget to the Unit Owners. Unless, at the meeting, a majority of all 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 budget for the last year shall continue in effect until such time a new budget is ratified.

Section 3. Assessments. Subject to the terms and conditions of the Declaration, assessments against the members for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 31, preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Such assessments shall constitute a lien as provided for in the Declaration.

Section 4. Assessments for Emergencies. Subject to the terms and conditions of the Declaration, assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the members concerned, and it shall be due thirty (30) days after such notice in such manner as the Board of Directors of the Association may require in the notice of assessment. Such assessment shall constitute a lien as provided for in the Declaration.

Section 5. Audit or Compilation. The Board of Directors shall have the authority to require an audit or compilation of the accounts of the Association, at any time, by a majority vote of said Directors, and a copy of the audit report shall be made available for review by each member in Baldwin County, Alabama.

Section 6. Bonds. Fidelity bonds shall be required, if obtainable, by the Board of Directors from all persons handling or responsible for Association funds. The amount of such funds shall be determined by the Board of Directors, but shall not be less than

three times the amount of the total annual assessments against members for Common Expenses and Limited Common Expenses. The premiums of such bonds shall be paid by the Association.

Section 7. Rules and Regulations and Violation of any Documents. Subject to the terms and conditions of the Declaration, the Board of Directors may establish, abolish or amend reasonable rules and regulations concerning the use of the Common Elements. The text of such rules and regulations shall be furnished or made available to the members. The Board shall have the power, upon violation of the rules and regulations, or upon violation of the terms of the Declaration or By-Laws to impose monetary fines on a member which shall constitute a lien and shall be enforceable in like manner as provided for assessments or to suspend for a reasonable period of time either the member's right to the use of Common facilities within the Common Elements or the member's right to vote.

#### ARTICLE VII

##### WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Association under the provisions of these By-Laws, the Articles of Incorporation, the Declaration, the provisions of the Alabama Non-Profit Corporation Act, and any act amendatory thereof, supplementary thereto or substituted therefor, the provisions of the Condominium Ownership Act of Alabama, and any act amendatory thereof, supplemental thereto or substituted therefor, or the Alabama Constitution, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE VIII

##### FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

#### ARTICLE IX

##### INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, finds and

amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best criminal action or proceeding, had reasonable cause to believe that this conduct was unlawful.

Section 2. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under Sections (1) and (2) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (1) and (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the membership.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

The indemnification provided by this section shall not be deemed excessive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested directors or to otherwise, both as to action in this 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, employee or agent and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### ARTICLE X

#### AMENDMENT

Section 1. Amendment to By-Laws. These By-Laws may be amended, altered or repealed in the following manner:

(a) By the Developer until such time as the Developer relinquishes its control of the Association in accordance with Article III, Section 3 herein; or

(b) By the members at any regular or special meeting upon the affirmative vote of the holders of not less than two-thirds (2/3) of the outstanding votes present at such meeting in person or represented by proxy.

Section 2. Recitation. No modification or amendment to the By-Laws shall be valid and effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file their certificate setting forth the text of the amendment with the Office of the Judge of Probate of Baldwin County, Alabama.

EXHIBIT "C"

"AS - BUILT" PLANS AND CERTIFICATION FOR WALKER KEY, A  
CONDOMINIUM, AS THE SAME ARE RECORDED IN THE OFFICE OF THE JUDGE OF  
PROBATE, BALDWIN COUNTY, ALABAMA IN APARTMENT BOOK 9, PAGES  
11-12, ET SEQ.

EXHIBIT "D"

EASEMENTS, RESTRICTIONS AND OTHER ENCUMBRANCES  
ON THE CONDOMINIUM PROPERTY

(a) Lien of taxes and assessments hereinafter falling due, which Grantee agrees to assume.

(b) Any adverse claim arising by reason of rules or regulations being imposed upon the property described above by any environmental agency of the State of Alabama or of the United States of America.

(c) Rights of other parties, the United States of America or the State of Alabama, in and to the shore, littoral or riparian rights to the property described above which lies adjacent to Bay Ornoc, also known as Terry Cove.

(d) Rights of the United States of Government, the State of Alabama and other parties in and to the navigable waters and the land beneath any of the navigable waters within the property described above, and all rights of the United States Government and the State of Alabama in and to any of the lands described that may be on or below mean high tide.

(e) Electric Line right-of-way easement granted unto Baldwin County Electric Membership Corporation in instrument dated August 15, 1994 and recorded in Real Property Book 597 Page 1401.

(f) Subject to unrecorded Pipeline Easement from Emma Walker to Orange Beach Water, Sewer and Fire Protection Authority, dated July 9, 1974.

(g) Electric Line right-of-way easement granted unto Alabama Electric Cooperative, Inc. and Baldwin County Electric Membership Corporation in instrument dated February 2, 1996, and recorded in Real Property Book 669, Page 388.

(h) Subject to the terms and conditions of a non-exclusive easement granted Robin E. Walker and Bobbi M. Walker by instrument dated March 7, 1997 and recorded in Real Property Book 739, page 1554, et seq.

(i) Development Rights and Special Declarant Rights granted Developer by the Condominium Documents and by the Act.

(j) Subject to the Articles of Incorporation of Walker Key Condominium Association, Inc., a not for profit corporation, as the same is recorded in the Office of the Judge of Probate at Instrument No. 483623.

EXHIBIT "D" CONTINUATION PAGE

(k) Subject to the Declaration of Condominium of Walker Key, a condominium, and all exhibits thereto, as the same is recorded in the Office of the Judge of Probate, Baldwin County, Alabama at Instrument No. 483624.

(l) Zoning, planning, subdivision regulations and other restrictions or regulations upon the use of the Property as may be imposed by the City of Orange Beach or any other governmental authorities having jurisdiction over the Property.

(m) Building setback lines and drainage and utility easements as shown on the recorded plat or Plans of said condominium, as the same are recorded in Apartment Book 19, page 11-12, et seq.

(n) Subject to terms and conditions of a Ingress and Egress Easement granted to Willard Eugene Walker and wife Lois Gale Walker dated August 26, 1997 and recorded in Real Property Book 772, Page 1596, et seq.

(o) Subject to terms and conditions of a Ingress and Egress Easement granted to Willard Eugene Walker and wife Lois Gale Walker dated March 11, 1999 and recorded at Instrument No. 483617.

(p) Subject to the terms and conditions of Riparian Easement (Submerged Land Lease) between the State of Alabama, Department of Conservation and Natural Resources, State Lands Division and Coral Resources, Inc., dated December 11, 1998 and recorded in Real Property Book 875, page 1439, et seq.; as the same was assigned to Walker Key Condominium Association, Inc. by instrument dated December 22, 1998 and recorded as Instrument No. 483621.

(q) Subject to the reservation of all oil, gas and other minerals as set forth in deed from Willard Eugene Walker and wife Lois Gale Walker to Walker Key, L.L.C., dated March 7, 1997 and recorded in Real Property Book 739, Page 1520, et seq.

(r) Electric Line right-of-way easement granted unto Baldwin County Electric Membership Corporation in instrument dated July 23, 1998 and recorded in Real Property Book 847, Page 663, et seq.

(s) Subject to easement granted Walker Court, L.L.C. as set forth in deed from Walker Key, L.L.C. to Walker Court, L.L.C., dated August 27, 1998 and recorded in Real Property Book 850, page 655.



EXHIBIT "D" CONTINUATION PAGE

(t) Subject to terms and conditions of a Ingress and Egress Easement granted to Willard Eugene Walker and wife Lois Gale Walker dated March 7, 1997 and recorded in Real Property Book 739 Page 1550 et seq.

(u) Reservation of oil, gas and other minerals in, on, and under said real property, together with all rights or easements in connection therewith, as have previously been reserved by or conveyed to others and presently of record.

EXHIBIT "E"

FRACTIONAL OWNERSHIP INTEREST IN COMMON ELEMENTS  
(RESPECTIVE SHARE OF EACH UNIT)  
AND  
NUMERICAL VALUE OF TO  
WHICH EACH UNIT IN PHASE I IS ENTITLED

FORMULA:

The formula for arriving at the Fractional Ownership Interest in the Common Elements (respective share of each Unit) shall be a fractional interest, the numerator of which shall be one (1) and the denominator of which shall be the total number of Units dedicated to the condominium form of ownership. (If looked at from a percentage standpoint, the numerator would be 100 and the denominator would be the total number of Units incorporated into the Condominium.) Each Unit shall be entitled to one vote, which shall be equal in value to all other Units dedicated to the condominium form of ownership. For purposes of percentage of ownership in the Common Elements, percentage of Common Expenses, percentage of Common Surplus, and voting on all matter requiring action by the Unit Owners, the percentages as determined by the method stated shall govern; and upon the substantial completion of Phase II, if constructed, and the filing of a Phase Amendment as set forth in this Declaration bring Phase II into the Condominium, the fractional undivided interest of each Unit shall be redetermined in accordance with the method herein established. The Common Expenses shall be charged to Unit Owners according to the fractional undivided interest of the respective Units in the Common Elements.

As an example of the above formula, should Phase II not be constructed and the Developer makes no assurances it will be constructed, each Unit would have a percentage interest of 2.325% (100 divided by 43) and a fractional interest of 1/43rd. In the event Phase II is constructed as contemplated and dedicated to the condominium form of ownership, each Unit would have a percentage interest of 1.333% (100 divided by 75) and a fractional interest of 1/75th. All fractional interest when combined shall never exceed one and all percentage interest shall never exceed 100.

EXHIBIT "E" CONTINUATION PAGE

<u>UNIT NUMBER</u>	<u>FRACTIONAL OWNERSHIP INTEREST IN COMMON &amp; LIMITED COMMON ELEMENTS (Respective share of each unit)</u>	<u>NUMERICAL VALUE OF VOTE TO WHICH UNIT IS ENTITLED</u>
A-1	1/43rd	1
A-2	1/43rd	1
A-3	1/43rd	1
B-1	1/43rd	1
B-2	1/43rd	1
B-3	1/43rd	1
B-4	1/43rd	1
C-1	1/43rd	1
C-2	1/43rd	1
C-3	1/43rd	1
C-4	1/43rd	1
C-5	1/43rd	1
D-1	1/43rd	1
D-2	1/43rd	1
D-3	1/43rd	1
E-1	1/43rd	1
E-2	1/43rd	1
E-3	1/43rd	1
E-4	1/43rd	1
E-5	1/43rd	1
E-6	1/43rd	1
E-7	1/43rd	1
E-8	1/43rd	1
E-9	1/43rd	1
E-10	1/43rd	1
G-1	1/43rd	1
G-2	1/43rd	1
G-3	1/43rd	1
G-4	1/43rd	1
G-5	1/43rd	1
G-6	1/43rd	1
G-7	1/43rd	1
G-8	1/43rd	1
G-9	1/43rd	1
G-10	1/43rd	1
G-11	1/43rd	1
G-12	1/43rd	1
G-13	1/43rd	1
G-14	1/43rd	1
G-15	1/43rd	1
G-16	1/43rd	1
G-17	1/43rd	1
G-18	1/43rd	1
<b>TOTAL: 43</b>	<b>One (1)</b>	<b>43</b>

EXHIBIT "F"

WALKER KEY OPERATING BUDGET  
PHASE I  
(based on 100% occupancy)

Projected Budget for the year after the conveyance of the first Unit

<b>INCOME</b>	
Association Fees	146,544.00
<b>TOTAL INCOME</b>	146,544.00
<b>MAINTENANCE EXPENSE</b>	
Buildings Maintenance and Repairs	3,000.00
Miscellaneous Repairs	2,000.00
Elevator Maintenance/Contract	3,600.00
Grounds and Pool Maintenance and Repairs	5,000.00
Exterminating Service and Termite Bond	2,400.00
Furniture and Furnishing Replacement	2,000.00
Repair and Replacement Reserve	3,000.00
<b>TOTAL MAINTENANCE EXPENSE</b>	21,000.00
<b>UTILITIES EXPENSE</b>	
Electricity	5,000.00
Water and Sewer	21,000.00
Garbage and Trash Removal	5,000.00
Cable T.V.	5,000.00
<b>TOTAL UTILITIES EXPENSE</b>	36,000.00
<b>ADMINISTRATIVE EXPENSE</b>	
Management Fee	6,000.00
Postage	300.00
Phone Expense (2 elevator phones)	700.00
Supplies	1,000.00
Professional Fees	1,000.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	9,000.00
<b>TAXES, LEASE AND INSURANCE EXPENSE</b>	
Taxes, Licenses and Permits	500.00
Property/Flood/Liability Insurance	63,000.00
Submerged Land Lease	17,000.00
<b>TOTAL TAXES, LEASE AND INSURANCE EXPENSE</b>	80,500.00
<b>TOTAL EXPENSES</b>	146,500.00
<b>PROFIT/LOSS</b>	44.00

EXHIBIT "F" CONTINUATION PAGE

Projected monthly maintenance expense:

All Units: \$3,408.00 per year / \$284.00 per month

NOTES:

The above Estimated Operating Budget was prepared by the Developer, Walker Key, L.L.C., and is based upon 100% occupancy. The Developer shall not be responsible for any increase in the Common Expenses of Walker Key Condominium Association, Inc. ("Association") occasioned by increases in the respective cost of water, sewer, maintenance, utilities, insurance, or other matters. The fiscal management of the Association shall be governed by the Board of Directors of the Association as set forth in the Declaration and By-laws of the Association. Purchaser is responsible for the payment of all utilities individually metered or connected to his Unit. The estimated Common Expense is deemed reasonably accurate and adequate as of the date of its preparation, but no warranty or guarantee is intended. No Unit Owner shall be exempt from paying his/her proportionate share of the Common or Limited Common Expense by waiver or nonuse or nonenjoyment of the Common Elements. The Developer has not attempted to estimate the budget for Phase II, which Developer makes no assurances will be constructed.

EXHIBIT "G"

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO DEVELOPER'S RIGHT  
TO REMOVE FROM THE CONDOMINIUM FORM OF OWNERSHIP

PHASE 2, PARCEL A:

Commence at the Northeast corner of Lot 9 of the G.C. Bill Estate as recorded in Map Book 3, Page 90, Probate Records, Baldwin County, Alabama; run thence South 00 Degrees 00 Minutes 58 Seconds East for 659.87 feet to the Point of Beginning; Run thence South 13 Degrees 24 Minutes 14 Seconds East for 41.79 feet; Run thence South 13 Degrees 31 Minutes 14 seconds East for 154.98 feet; Run thence South 08 Degrees 14 Minutes 07 Seconds East for 424.61 feet; Run thence North 39 Degrees 56 Minutes 19 Seconds West for 130.87 feet; Run thence North 08 Degrees 17 Minutes 37 Seconds West for 230.39 Feet; Run thence North 00 Degrees 01 Minutes 11 Seconds East for 200.51 feet; Run thence South 89 Degrees 56 Minutes 40 Seconds East for 10.46 Feet; Run thence North 00 Degrees 00 Minutes 58 Seconds West for 82.74 Feet to the Point of Beginning.

AND

PHASE 2 PARCEL B:

Commence at the Northeast corner of Lot 9 of the G.C. Bill Estate as recorded in Map Book 3, Page 90, Probate records, Baldwin County, Alabama; Run thence South 89 Degrees 33 Minutes 42 Seconds West along the South Right-of-Way of Alabama Highway No. 180 for 291.32 Feet; Run thence South 00 Degrees 01 Minutes 08 Seconds West for 740.10 Feet to the Point of Beginning; Run thence South 89 Degrees 56 Minutes 40 Seconds East for 241.76 Feet; Run thence South 00 Degrees 00 Minutes 58 Seconds East for 259.32 Feet; Run thence West 241.92 Feet; Run thence North 00 Degrees 01 Minutes 08 Seconds East for 259.55 Feet to the Point of Beginning.

LESS AND EXCEPT A PARCEL OF LAND WHICH IS DESCRIBED ON ANNEX "A" TO THIS EXHIBIT "G" WHICH IS MADE A PART HEREOF AS IF FULLY SET OUT HEREIN.

TOGETHER WITH A 30 Foot Non-Exclusive Easement for Ingress & Egress and Utilities to and from Alabama Highway 180, over and across the roadway located in Phase I.



**NORTHWEST FLORIDA  
ENGINEERING & SURVEYING, INC.**  
A PROFESSIONAL SERVICE ORGANIZATION



PREPARED FOR: MR. MARK MATTHEWS  
PROJECT NO: 40-10337-98-2  
DATE: JANUARY 13, 1999

DESCRIPTION AS PREPARED BY NORTHWEST FLORIDA ENGINEERING AND  
SURVEYING, INC.:

INGRESS, EGRESS AND PARKING EASEMENT DESCRIBED AS FOLLOWS:  
COMMENCE AT THE NORTHEAST CORNER OF LOT 9 OF THE G. C. BILL  
ESTATES AS RECORDED IN MAP BOOK 3 AT PAGE 90 OF THE PROBATE  
RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE GO SOUTH 89 DEGREES 20  
MINUTES 00 SECONDS WEST ALONG THE SOUTH RIGHT OF WAY LINE OF  
ALABAMA HIGHWAY NUMBER 180 (120' R/W) FOR A DISTANCE OF 285.31  
FEET; THENCE DEPARTING SAID SOUTH RIGHT OF WAY LINE GO SOUTH 00  
DEGREES 13 MINUTES 23 SECONDS EAST A DISTANCE OF 999.65 FEET;  
THENCE GO NORTH 89 DEGREES 45 MINUTES 29 SECONDS EAST A DISTANCE  
OF 30.68 FEET TO THE POINT OF BEGINNING; THENCE GO NORTH 10  
DEGREES 27 MINUTES 42 SECONDS WEST A DISTANCE OF 8.14 FEET;  
THENCE GO NORTH 80 DEGREES 11 MINUTES 18 SECONDS EAST A DISTANCE  
OF 83.10 FEET; THENCE GO SOUTH 09 DEGREES 06 MINUTES 19 SECONDS  
EAST A DISTANCE OF 14.47 FEET TO A POINT OF CURVATURE; THENCE GO  
ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 5.00 FEET FOR AN ARC  
DISTANCE OF 7.28 FEET, (DELTA ANGLE = 83 DEGREES 26 MINUTES 10  
SECONDS, CHORD BEARING = SOUTH 50 DEGREES 49 MINUTES 25 SECONDS  
EAST, CHORD DISTANCE = 6.65 FEET) TO THE POINT OF TANGENCY;  
THENCE GO NORTH 87 DEGREES 27 MINUTES 30 SECONDS EAST FOR A  
DISTANCE OF 45.33 FEET TO A POINT OF CURVATURE; THENCE GO ALONG A  
CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET FOR AN ARC  
DISTANCE OF 17.62 FEET, (DELTA = 67 DEGREES 18 MINUTES 09  
SECONDS, CHORD BEARING = NORTH 53 DEGREES 48 MINUTES 26 SECONDS  
EAST, CHORD DISTANCE = 16.62 FEET), TO A POINT OF A COMPOUND  
CURVE; THENCE GO ALONG A CURVE TO THE LEFT HAVING A RADIUS OF  
104.19 FEET, FOR AN ARC DISTANCE OF 29.94 FEET, (DELTA = 16  
DEGREES 27 MINUTES 43 SECONDS, CHORD BEARING NORTH 11 DEGREES 55  
MINUTES 30 SECONDS EAST, CHORD DISTANCE = 29.83 FEET) TO A POINT  
OF REVERSE CURVATURE; THENCE GO ALONG A CURVE TO THE RIGHT HAVING  
A RADIUS OF 104.19, AN FOR ARC DISTANCE OF 33.96 FEET, (DELTA =  
=18 DEGREES 40 MINUTES 33 SECONDS, CHORD BEARING NORTH 13 DEGREES  
01 MINUTES 55 SECONDS EAST, CHORD DISTANCE = 33.81 FEET TO THE  
POINT OF TANGENCY; THENCE GO NORTH 22 DEGREES 22 MINUTES 11  
SECONDS EAST A DISTANCE OF 38.87 FEET; THENCE GO NORTH 34 DEGREES  
34 MINUTES 03 SECONDS EAST FOR A DISTANCE OF 62.31 FEET; THENCE  
GO SOUTH 00 DEGREES 15 MINUTES 29 SECONDS EAST A DISTANCE OF  
49.29 FEET; THENCE GO SOUTH 28 DEGREES 26 MINUTES 21 SECONDS WEST  
FOR A DISTANCE OF 35.56 FEET; THENCE GO SOUTH 18 DEGREES 56  
MINUTES 11 SECONDS WEST FOR A DISTANCE OF 10.23 FEET TO A POINT  
OF CURVATURE; THENCE GO ALONG A CURVE TO THE LEFT HAVING A RADIUS

ANNEX "A" PAGE 1 OF 3 (CONTINUED)

PAGE 1 OF 3

Instrument 483624 Page 56 of 97



**NORTHWEST FLORIDA  
ENGINEERING & SURVEYING, INC.  
A PROFESSIONAL SERVICE ORGANIZATION**



(CONTINUED)

OF 5.00 FEET FOR AN ARC DISTANCE OF 8.42 FEET, (DELTA = 96 DEGREES 31 MINUTES 11 SECONDS, CHORD BEARING = SOUTH 29 DEGREES 19 MINUTES 25 SECONDS EAST, CHORD DISTANCE = 7.46 FEET) TO THE POINT OF TANGENCY; THENCE GO SOUTH 77 DEGREES 35 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 11.98 FEET; THENCE GO SOUTH 05 DEGREES 50 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 55.62 FEET; THENCE GO SOUTH 85 DEGREES 01 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 14.85 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 5.00 FEET FOR AN ARC DISTANCE OF 8.49 FEET, (DELTA = 98 DEGREES 16 MINUTES 52 SECONDS, CHORD BEARING = SOUTH 36 DEGREES 22 MINUTES 40 SECONDS WEST, CHORD DISTANCE = 7.51 FEET) TO A POINT OF TANGENCY; THENCE GO SOUTH 12 DEGREES 15 MINUTES 46 SECONDS EAST FOR A DISTANCE OF 2.20 FEET; THENCE GO SOUTH 89 DEGREES 45 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 181.37 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND IS SITUATED IN A PORTION OF SECTION 12, TOWNSHIP 9 SOUTH, RANGE 5 EAST BALDWIN COUNTY, ALABAMA AND CONTAINS 0.10 ACRES.

**NORTHWEST ENGINEERING & SURVEYING, INC.**

1500 N. PALAFOX STREET, PENSACOLA, FLORIDA 32501

E. WAYNE PARKER PROFESSIONAL LAND SURVEYOR  
REGISTRATION NUMBER 15718 CORPORATE NUMBER CA0357  
STATE OF ALABAMA

NOT VALID WITHOUT  
THE SIGNATURE AND  
THE ORIGINAL RAISED  
SEAL OF A FLORIDA  
PROFESSIONAL  
LAND SURVEYOR

Instrument 483624 Page 36 of 97

ANNEX "A" PAGE 2 OF 3

PAGE 2 OF 3

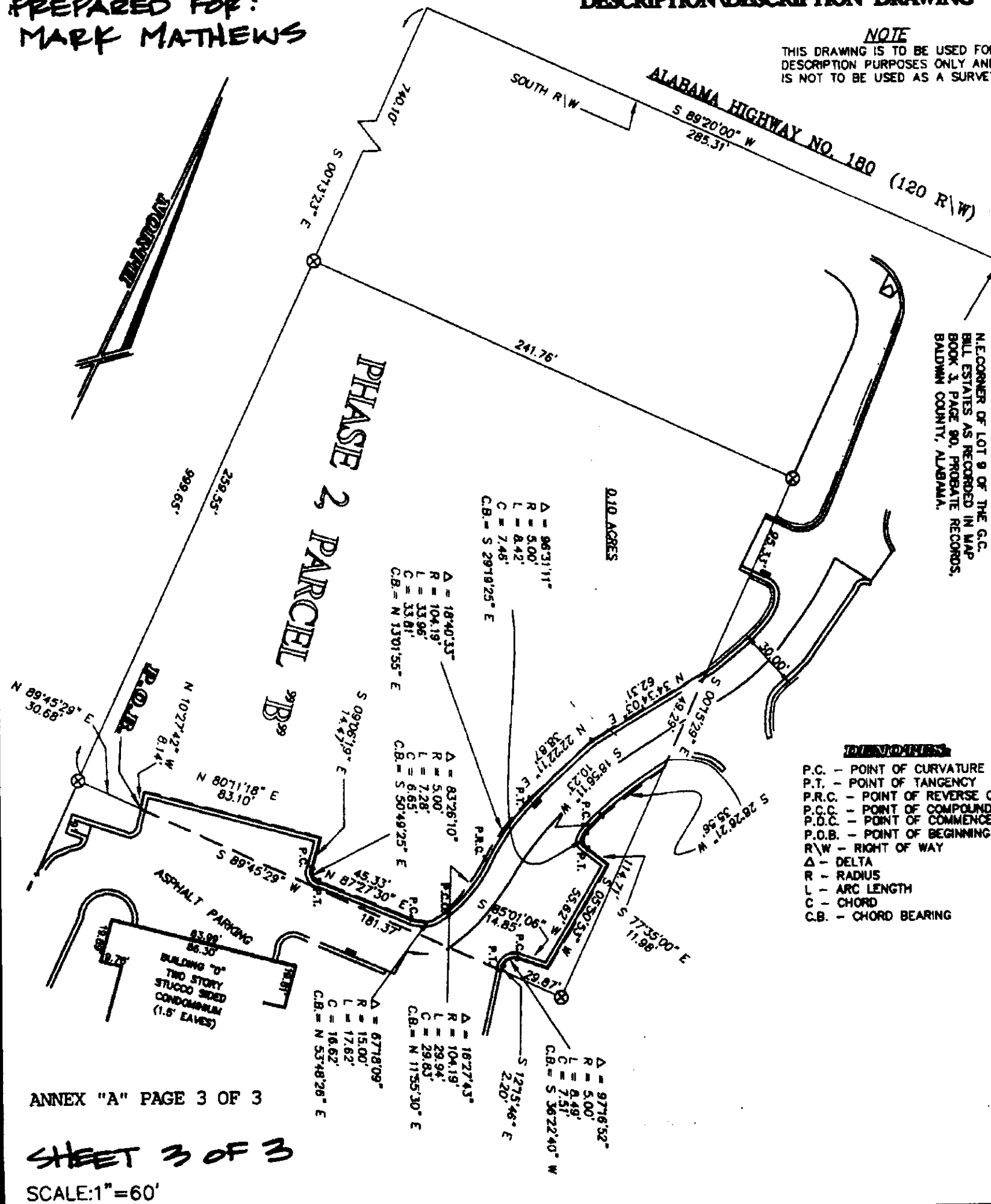
1500 N. Palafox St., Pensacola, FL 32501 (850) 432-1052 --- 105 Willing Street, Milton, FL 32570 (850) 626-9270  
FAX # (850) 433-6049 FAX # (850) 626-2297



PREPARED FOR:  
MARK MATHEWS

DESCRIPTION/DESCRIPTION DRAWING

NOTE  
THIS DRAWING IS TO BE USED FOR  
DESCRIPTION PURPOSES ONLY AND  
IS NOT TO BE USED AS A SURVEY



ANNEX "A" PAGE 3 OF 3

SHEET 3 OF 3

SCALE: 1" = 60'



NORTHWEST FLORIDA ENGINEERING & SURVEYING, INC.  
A PROFESSIONAL SERVICE ORGANIZATION

1500 N. Palafox St  
Pensacola, FL 3250  
(850) 432-1052

105 Willing St.  
Milton, FL 32670  
(850) 626-9270