

**DECLARATION OF COVENANTS
OF
BUENA VISTA RV RESORT**



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**STATE OF ALABAMA
COUNTY OF BALDWIN**

**DECLARATION OF COVENANTS
OF
BUENA VISTA RV RESORT**

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants is made, adopted, published and declared this the ____ day of _____, 2012, by ORANGE BEACH RV INVESTMENTS, LLC ("Developer");

R E C I T A L S

Developer owns that certain land and improvements comprising BUENA VISTA RV RESORT ("the Resort"), Phase I of which is as shown on the Plat ("the Plat") recorded at Slide 2411-D, in the records of the Office of Judge of Probate of Baldwin County, Alabama, where it was known as "Buena Vista on the Beach, Phase I. The name is hereby changed to BUENA VISTA RV RESORT, Phase I. The Developer proposes to develop the property in phases as presently approved in a planned unit development ("PUD") approved by the City of Orange Beach, Alabama, with such potential changes as are reserved by the Developer in this instrument. The Resort potentially consists of a total of one hundred and eleven (111) Recreational Vehicle or Residential Lots. Phase I contains eleven (11) Lots, specifically Lot 1 through Lot 11, and certain common areas ("Common Elements"), all as shown on the currently recorded Plat. The Developer desires to place certain restrictions, conditions and reservations upon the Resort in accordance with a general scheme or plan in order (a) to establish and preserve the Resort as a first-class recreational vehicle resort, (b) to provide for the potential rental of Lots by the

Developer on behalf of the Owners, c) to provide for the orderly governance of the Resort initially by Developer and eventually by Owners of Lots therein, d) to reserve to the Developer Special Developer rights including the right to own and control commercial areas within the Resort, and e) provide for phasing amendments to bring additional property into the Resort and to become subject to the provisions of this instrument, as hereafter amended.

NOW THEREFORE, Developer does hereby declare, establish, and impose the following protective restrictions, conditions, covenants, and reservations upon the Resort, which such restrictions, conditions, covenants, and reservations shall be perpetual, shall run with the land, and bind Developer and its successors and assigns, including all persons who shall acquire any interest in any Lot:

ARTICLE I DEFINITIONS

In addition to the capitalized terms that are defined elsewhere in this Declaration, the capitalized terms listed below shall have the meaning set forth below, unless the context clearly requires otherwise:

1.01. "Additional Property" shall mean and refer to additional real property and any Improvements situated on said real property that may become subject to this Declaration by exercise of the unilateral right of annexation by the Developer as provided in this Declaration. The Additional Property may also include Common Area.

1.02. "Architectural Committee" shall mean and refer to the Architectural Committee described herein.

1.03. "Articles" means the Articles of Incorporation of Buena Vista RV Resort Property Owners Association, Inc., recorded in the Office of the Judge of Probate of Baldwin County, Alabama, identified as Exhibit "A" attached hereto and made a part hereof as if set out fully herein.

1.04. "Assessment" means a proportionate share of the funds required for the payment of the Common Expenses which from time to time may be levied against each Lot Owner.

1.05. "Association" means Buena Vista RV Resort Property Owners Association, Inc., an Alabama not for profit corporation, and its successors.

1.06. "Board" means the Board of Directors of the Association.

1.07. "Bylaws" means the duly adopted Bylaws of the Association, identified as Exhibit "B" attached hereto and made a part hereof as if set out fully herein.

1.08. "Common Area" shall include: (a) all private roadways and private easements located in Buena Vista RV Resort to provide ingress to and egress from any portion of Buena Vista RV Resort, (b) all signage, street lights, lighting, walkways, sidewalks, paths, bicycle and jogging paths and lanes, gates, walls, fences, limited access facilities, improvements, landscaped or other areas immediately adjacent to private roadways or within any portion of the Common Area, (c) all lakes, water features, storm drains and sewer, drainage and/or watershed protection or retention ponds, lakes, basins or other areas and facilities located within Buena Vista RV Resort (other than such areas located solely within the boundary lines of any Lot), (d) all maintenance areas and parking areas located on any portion of Buena Vista RV (other than such areas located solely within the boundary lines of any Lot), (e) all utility lines, pipes, ducts, conduits, equipment, machinery and other apparatus and appurtenances that are located in or serve any portion of the Common Area, (f) all nature trails, recreational facilities and areas, and (g) all easements and easement areas within Buena Vista RV Resort, and any other areas or Improvements on or within Buena Vista RV Resort that are designated as Common Area on the Plat of Buena Vista RV Resort by the Developer from time to time. The Plat of Buena Vista RV Resort may contain references to private roadways and private easements which private roadways and private easements shall be part of the Common Area.

1.09. "Common Elements" means all portions of the Resort other than the Lots and non-Recreational Vehicle or Residential Lots as may be shown on subsequent plats.

1.10. "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.11. "Eligible Mortgagee" means any Mortgagee who has submitted to the Association a written request for notice of any proposed action concerning the Resort.

1.12. "Existing Property" shall mean and refer to Buena Vista RV Resort. Only Lots 1 through 11 and the areas designated on the Plat of Buena Vista RV Resort, Phase I, as Common Area, private roadways and private easements are made subject to this Declaration and no other property shown on the Plat of Buena Vista RV Resort, Phase I, nor is the Out Parcel as shown on Slide 2411-C made subject to this Declaration. Provided, however, the Developer has the right, but is not obligated, to subject by one or more Subsequent Amendment other real property or Additional Property to this Declaration, as provided in this Declaration.

1.13. "Improvement" shall include any building, structure, roadways, fences, plantings, planted trees, and other structures of any kind located in the Resort.

1.14. "Lot" shall mean and refer to any plot, parcel or portion of land shown upon the Plat of Buena Vista RV Resort or any recorded final subdivision plat of Buena Vista RV Resort with the exception of the Common Area and private roads and shall include, where the context may indicate, any Improvement or fixture located on said Lot. Unless otherwise noted on a plat, a "Lot" shall refer to a recreational vehicle or residential lot. Commercial lots, if any, shall be designated as such.

1.15. "Lot Owner" means any Person (including the Developer) who owns a Lot but does not include a Person having an interest in a Lot solely as security for an obligation.

1.16. "Member" means a member of the Association, membership in which is confined to Lot Owners.

1.17. "Mortgagee" means any lender holding a mortgage or vendor's lien on any Lot.

1.18. "Occupant" means a person or persons in possession of a Lot, regardless of whether that person is the Lot Owner.

1.19. "Owner's Private Buildings" shall mean the Residential Building which may be constructed by Developer on a Lot. No assurance is made that each Lot will have a Residential Building.

1.20. "Person" means a natural person, a corporation, a partnership, a limited partnership, the Association, a trustee, or other legal entity.

1.21. "Property" means the land and other property comprising the Resort.

1.22. "Recreational Vehicle" (or "RV") shall mean and refer to those vehicles that have been categorized by the Recreational Vehicle Industry Association ("RVIA"), and the Family Motorcoach Association ("FMCA"), as (a) Class "A" motorcoaches and/or factory customized bus conversions; (b) 5th Wheeler Trailers; and © Super C or C+ rated recreational vehicles, referring to vehicles constructed on a heavy duty truck chassis, rather than on a van chassis.

1.23. "Residential Building" shall mean and refer to any Residential Building constructed on any Lot as described in this Declaration.

1.24. "Resort Constituent Documents" means this Declaration, Bylaws, Articles and all Rules and Regulations adopted by the Association and all Exhibits attached thereto as the same may be amended from time to time.

1.25. "Rules and Regulations" means those rules and regulations made by the Developer initially and subsequently subject to amendment by the Board respecting the use and the operation of the Resort.

1.26. "Subsequent Amendment" shall mean and refer to an amendment or supplement to this Declaration which subjects Additional Property to this Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by the Subsequent Amendment.

1.27. "Utility Services" shall include but not be limited to electrical power, water, gas, cable television, telephone, garbage and sewage disposal.

When the context permits, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

ARTICLE II GENERAL SCHEME OF DEVELOPMENT

2.01. General Scheme of Development. Generally, the Resort is a restricted Recreational Vehicle resort community. The Lots will be owned separately in fee simple and will be for the private use of the separate Owners thereof and the Common Areas shown on the Plat and each Phasing Plat will be owned and maintained by Buena Vista RV Resort Property Owners Association, Inc. Except for the amenities shown on the Plat or any Phasing Plat, the Developer is not obligated to construct other amenities unless it elects to do so, in its sole discretion. All Lots shall be conveyed by the Developer and each Owner shall accept said Lot with the Improvements thereon in its "As-is" condition. The Developer contemplates that there may be constructed on said Lot a Residential Building which shall be restricted to single-family residential use which Residential Building shall be used in connection with any Recreational Vehicle located on said Lot. No assurances are made that the Developer will or will not construct on said Lot a Residential Building to be used in connection with any recreational vehicle located on said Lot.

2.02. Additional Residential Buildings. A buyer of a Lot that does not have a pre-existing Residential Building on it may select a Residential Building to be constructed on such Lot by the Developer from among alternative plans offered by the Developer. Otherwise a Lot Owner shall not erect any structure on a Lot except as provided in Article 5.01.

2.03. Additional Property. The Developer reserves the right, in the sole and absolute discretion of the Developer, in accordance with the provisions of this Declaration, at any time and from time to time, to add and submit any Additional Property to the provisions of this Declaration and, to the extent any of the Additional Property is specifically submitted to the

terms and provisions of this Declaration by the Developer, then any such Additional Property shall constitute part of Buena Vista RV Resort Property Owners Association, Inc.

ARTICLE III EASEMENTS

3.01. No Dedication of Common Area. The Common Area designated on the Plat and each Phasing Plat is NOT DONATED, DEDICATED OR GRANTED TO THE PUBLIC but may be conveyed to the Association for use as Common Area, subject to the terms and conditions of this Declaration, any and all applicable restrictions, reservations, encumbrances and limitations of record, and to all additional matters set out in the Deed to the Association. The granting of any easement in the Common Area as provided for in this Declaration does not grant to the public or to the owners of any land outside of Buena Vista the right to enter or use the Common Area without the express permission of the Developer or the Association after the Common Area is conveyed to the Association by the Developer.

3.02. Signage Easement. Developer, for itself and its assigns, hereby reserves an easement over the Resort for the right to place one or more signs at the southern edge of the Property. However, in all events, any such sign must comply, in all respects, with the applicable ordinances of the City of Orange Beach.

3.03. Developer's Blanket Easement. Easements are also reserved to the Developer throughout the Resort for its reasonable purposes.

3.04. Association's Blanket Easement. Easements are also reserved to the Association for access over and to each Lot throughout the Resort for its reasonable purposes, including, without limitation, an easement over Lots to inspect the same, to remove violations therefrom, to discharge its obligations, and to maintain, repair or replace the Common Elements, including without limitation, the fence constructed by Developer along a portion of the Resort.

3.05. Utilities and Drainage Easements. Easements are reserved throughout the Resort as may be required for Utility Services and drainage in order to adequately serve the Resort. Each Lot shall have an easement as may be required to drain the Resort adequately. Each Lot Owner shall have an easement in common with the Lot Owners of all other Lots to use all pipes, wires, ducts, cables, Conduits, public utility lines and other Common Elements located in any of the other Lots and serving his Lot. Each Lot shall be subject to an easement in favor of the Lot Owners of all other Lots to use all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Lots and located in such Lot.

3.06. Support. Each Lot shall have an easement of support and of necessity and shall be subject to an easement of support and of necessity in favor of all other Lots and Common Elements.

3.07. Access. Each Lot Owner shall have an easement to and from such Owner's Lot to and from the Common Elements for pedestrian traffic over, through, and across sidewalks, walks, walkways and lanes, and passage ways, as the same may from time to time exist in the Common Elements; and for vehicular ingress and egress over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes, but the same shall not give or create in any Person the right to park on any portion of the Common Elements.

3.08. Reservation of Controlled Access Easement.

A. Waiver of Unlimited Access. Each Owner, by acceptance of a deed or other instrument conveying any interest in any Lot, does waive all rights of uncontrolled and unlimited access, ingress to and egress from such Lot and acknowledges and agrees that: (a) in order to provide quiet enjoyment, access and ingress to and egress from Buena Vista RV Resort may be controlled, restricted and limited to exclude the general public therefrom, and (b) access and ingress to and egress from the Lot of such Owner shall be limited to the roads, sidewalks, walkways, paths, boardwalks, trails and bicycle and jogging paths and lanes designated as Common Area by the Developer. Provided, however, that, subject to the provisions of this Declaration, vehicular and pedestrian access to and from all Lots shall be provided at all times.

B. Right to Install Limited Access Facilities. The Developer does establish and reserve for the Developer, the Association, and their respective successors and assigns, the right and privilege, but not the obligation, to: (a) maintain guarded or electronically-monitored gates controlling, limiting and restricting vehicular and pedestrian access to and from any portion of Buena Vista RV Resort, and (b) require payment of toll charges for use of any private roads within Buena Vista RV Resort by permitted commercial traffic or by members of the general public, provided that in no event shall any such tolls be applicable to (1) any Owner or Occupant, (2) any Mortgagee or the designated representative of any Mortgagee, (3) any Governmental Authority or the designated agents and representatives of such Governmental Authority, or (4) the Developer and the successors and assigns of the Developer, and the owner of the Out Parcel or Additional Property, or any guests, invitees, employees, agents, contractors and designees of the Developer and the successors and assigns of the Developer, and the owner of the Out Parcel or Additional Property who have the rights and nonexclusive easements provided for in Section 2.02, or elsewhere in this Declaration.

C. Power of Attorney. Notwithstanding anything provided to the contrary in this Declaration, the Developer: (a) does establish and reserve the right, in the sole and absolute discretion of the Developer and at any time and from time to time, to dedicate Buena Vista RV Resort or any portion thereof and/or any of the private roadways within Buena Vista RV Resort as public roadways to any Governmental Authority designated by the Developer without requirement that the approval or consent of any Owner, Occupant, Mortgagee or other beneficiary of this Declaration be obtained, and (b) shall be and is authorized and entitled to execute any and all agreements, documents, instruments and subdivision plats pursuant to which

any private road within Buena Vista RV Resort or any portion thereof and/or any of the other private roadways within Buena Vista RV Resort are submitted for dedication as public roadways. Each Owner, by acceptance of any deed to a Lot, and each Mortgagee, by the acceptance of any Mortgage on any Lot, shall be deemed to, and each does irrevocably appoint the Developer as its respective agent and attorney-in-fact for the purpose of executing, signing, acknowledging, swearing to and recording any and all instruments, certificates, documents, agreements and subdivision plats relating to the dedication of any private road within Buena Vista RV Resort or any portion thereof and/or any of the other private roadways within Buena Vista RV Resort for and in the name of any such Owner and Mortgagee in their name, place and stead. The power and authority granted in this Declaration is declared to be irrevocable and a power coupled with an interest which shall survive the death or dissolution of any Owner or Mortgagee and be binding on all Owners and Mortgagees and their respective heirs, executors, administrators, personal representatives, successors and assigns and anyone having any interest in any Lot, Recreational Vehicle or Common Area or in any of the easement rights created or granted in this Declaration. The rights reserved by the Developer pursuant to this Section 3.08.C. may be assigned to the Association. Upon such assignment, the Association shall have the same rights reserved in this Declaration to the Developer.

ARTICLE IV

LOT OWNERSHIP, COMMON ELEMENTS, COMMERCIAL LOTS

4.01. Lots. Each Lot is assigned a number. The legal description of each Lot shall consist of the identifying number as shown on the Plat, the name of the Resort, and Slide Number where the Plat is recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

4.02. Lot Ownership. Each Lot Owner shall be entitled to the exclusive ownership and possession of his Lot, which shall be owned in fee simple, and to Owner's Private Buildings located thereof. Each Lot Owner shall have the unrestricted right of ingress and egress to his Lot, which right shall be an appurtenance to his Lot. Each Lot Owner is subject to all the rights and duties assigned to Lot Owners under the terms of the Resort Constituent Documents. The Developer shall enjoy the same rights and shall have the same duties (as any other Lot Owner) with respect to Lots owned by the Developer.

4.03. Common Elements. The Common Elements include the driveways within the Resort and other common areas as may be shown on a Phasing Plat. No other amenities are anticipated to be built by Developer. All tangible personal property required for the maintenance and operation of the Resort and for the common use and enjoyment of the Lot Owners shall also be considered by Common Elements. The Common Elements are owned by the Association. No Lot Owner shall bring any action for partition or division of the Common Elements.

4.04. Use of Common Elements. Each Lot Owner shall have the right to use the Common Elements in conjunction with the Owners of other Lots as may be required for the purposes of access, ingress to, egress from, use, occupancy, and enjoyment of the Resort. The right to use the Common Elements shall be subject to and governed by the provisions of the Resort Constituent Documents, and the Rules and Regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions, or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and Bylaws.

4.05 Clubhouse and Pool Area – Commercial Lots. The current PUD preliminary plat (not recorded) depicts a “Common Area for Clubhouse and Pool” at the northern end of proposed Phase 3. The Developer retains as a Special Developer Right the right but not the obligation to seek an Amendment to the PUD to modify the character and use of this area, and each Lot Owner hereby by acceptance of a deed to a Lot acknowledges and gives his or her consent to such an application for such an Amendment to use this area as a Commercial Lot or Lots for mixed land use including retail business and to maintain a rental and real estate sales office. In such event the recreational and commercial facilities will be restricted in usage to the occupants, owners, and guests of the Resort. If this area or part of this area is designated as a Commercial Lot or Lots, it will not be considered a Common Element, and the expense of the upkeep of the Commercial Lot or Lots shall be the obligation of the owner of the Commercial Lot or Lots. Such Special Developer Right also includes the right to subdivide the describe area into one or more Commercial Lots and Common Elements.

ARTICLE V PERMITTED USES AND RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Resort and each Lot therein is subject to the following:

5.01. Improvements and Use. Except as expressly provided herein, the Lots shall be used exclusively for the parking and use of Recreational Vehicles. The construction or maintenance of permanent residential structures on the individual Lots is prohibited, except for Residential Buildings and other structures provided for herein. Permanent residential occupancy is hereby prohibited. "Permanent" as used herein shall mean continuous occupancy of a Recreational Vehicle on a Lot by a person that extends more than one hundred and eighty (180) consecutive days or such shorter period as may be proscribed by any laws or ordinances restricting permanent occupancy on the Property. Lot Owners, their guests, successors, and assigns are prohibited from erecting, placing, or keeping on any Lot any permanent or semi-permanent structure or any vehicle that is designed as permanent living quarters, which prohibited structures do not include Owner's Private Buildings (i.e., any Residential Building constructed by or permitted to be constructed by Developer and included or permitted with the Lot as part of the conveyance) but do include, without limitation, the following:

(A) permanent screened rooms, carports, awnings, fences, pools, jacuzzis, spas, bathing facilities, sporting equipment, animal shelters, gates, clotheslines, or any type of permanent extended overhang;

(B) mobile homes and park models;

(C) any structure that cannot be readily transported by the Recreational Vehicle of the Owner of the Lot;

(D) any structure placed on the Lot on blocks, or other supports which are permanent or semi-permanent in nature or any structure with removed hitches;

(E) any structure or plumbing or electrical facilities (other than plumbing and electrical facilities installed by Developer or the Association) not intended to be temporary or readily movable; and

The provisions of this Section 5.01 do not prevent the erection of tables, benches, and grills; however, no personal property except as provided in the immediately preceding clause shall be permitted to remain where it can be seen by other Owners or visitors to the area, except when the Lot is actually in use or unless kept in Owner's Private Buildings. This requirement shall not apply to any permissible vehicle which may be allowed to remain on a Lot even though not in use for a maximum period of six (6) months from the date last used for occupancy. Notwithstanding anything contained to the contrary in this Section 5.01 or otherwise in this Declaration, Developer may use any Lots owned by Developer, including without limitation, the Developer's Lots, to maintain reasonable construction, sales, leasing operations, and marketing of the Development and related uses, and no Owner or Lessee shall be entitled to use its Lot in any manner that unreasonably interferes with such rights of Developer.

5.02. Animals. No animals of any kind shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in violation of any applicable local ordinance or any other provision of this Declaration. A "reasonable number" shall mean three (3) or fewer pets per Lot. In no event shall pit bulls or other dogs reputed to be a hostile breed shall be allowed within the Resort. If any animal is not confined within the Recreational Vehicle, the animal must be leashed and under direct control of its owner. A pet's owner shall have the absolute duty and responsibility to clean up any solid animal waste after such animals have used any portion of the Resort or any public property in the vicinity of the Resort. No pet shall be permitted to be kept within any portion of the Resort if it makes excessive noise or is otherwise determined by the board to be a nuisance. If any pet is determined to be a nuisance, the Board may give notice to the responsible party to resolve the offending problem within seventy-two (72) hours, and if such party does not resolve the problem during that period of time, order the removal of such pet(s).

5.03. Commercial Activities. The Residential Lots are to be used for recreational purposes only, and no part of the Resort and no Lot shall be used in any way for any business, professional, commercial, manufacturing, mercantile, storing, vending, industrial, or other non-recreational purpose, except as provided in Article 4.05. Notwithstanding the foregoing, Developer may use Developer's Lots and the Common Elements to maintain reasonable construction, sales, resales, commercial, and rental operations. This provision may not be amended or deleted without the approval of all of the Members and of Developer.

5.04. A. Restricted Right of Transfer. The right of a Lot Owner to sell, transfer, or otherwise convey his Lot shall be subject to a right of first refusal as follows: should any Lot Owner desire to sell his Lot, such Owner shall first offer such Lot for sale to Developer or any designee of Developer for the price at which such Owner intends to sell the Lot, and Developer shall have ten (10) days after receiving written notice of such price and desire to sell in which to elect to purchase the Lot at such price; if Developer does not so elect by written notice to such Owner within such ten (10) day period, such Owner may proceed to sell such Lot to others, provided, however, if the bona fide price at which such Owner ultimately agrees to sell such Lot to a third person is less than the price offered to Developer, then the agreement to sell to such third person shall be subject to Developer's superior right to purchase such Lot for the same price as set forth in the agreement with such third person, which such right may be exercised at any time by written notice to such selling Owner within three (3) business days following Developer's receipt of a copy of the purchase agreement with such third party. Anything construed in any of the Resort Constituent Documents to the contrary, there shall be no restrictions on the right of a Lot Owner to mortgage his Lot.

B. Resale of Lots. The seller of any Lot shall furnish to the purchaser before execution of any contract for the sale of the Lot, or otherwise before conveyance:

(I) A copy of this Declaration and the Articles, Bylaws and Rules and Regulations of the Association, with specific attention drawn to this Section 5.04;

(ii) A statement setting forth the amount of the annual Assessments for Common Expenses and any unpaid Assessment of any kind currently due from the selling Owner; and

(iii) A copy of the current operating budget of the Association.

The selling Owner shall also at such time, notify the Association of the sale and provide the Association with the name and address of the new owner, a copy of the deed conveying title, and the date of sale.

5.05. Rental of Lots. Owners may not rent their Lots except as follows: Any owner wishing to put his lot on a rental program shall engage the rental management company or agent

designated by the Developer to provide rental management services, if at the time of such engagement Developer or Developer's designee is providing rental managing services. The provisions of this paragraph 5.05 may not be amended without Developer's prior written consent.

5.06. Utility Service. Except for temporary hook-ups between Recreational Vehicles and permanent utility outlets and except as expressly allowed in this Declaration with respect to Owner's Private Buildings, no lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under, or on buildings or other structures approved in writing by the Board. All temporary utility outlets shall be installed and maintained in accordance with applicable provisions of the Rules and Regulations. No provision hereof shall be deemed to forbid the erection of the temporary power or telephone installations incident to the construction of approved buildings or structures.

5.07. Nuisance. No noxious, illegal or offensive activity shall be carried out on or upon any Lot or any part of the Property, nor shall anything be done thereon which is or may become an annoyance or nuisance, public or private, to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of their respective Lots, or which shall in any way increase the rate of insurance for the Association or for the Owners of Lots and Recreational Vehicles. Each Owner shall comply with all local, state and federal regulations that may govern the use and occupancy of Recreational Vehicles.

5.08. Outside Antennae. There shall be no outside television or radio antennae, satellite dish, poles or flag poles constructed or maintained on any Lot or the Common Area for any purpose without the prior written approval of the Board or in conformity to general rules issued by the Board.

5.09. Signs. No signs, including, without limitation, "for sale" or "for rent" signs, shall be displayed on or from any Lot, Recreational Vehicle (whether inside or outside the Recreational Vehicle), equipment, or real or personal property of any sort located on any Lot. No signs shall be displayed on or from any Common Element except signs approved by the Board. Nothing in this Section 5.09 shall be deemed to prevent or limit Developer's ability to erect signs for purposes of advertisement or identification as it deems necessary or limit Developer's signage rights set forth in Article III.

5.10. Equipment and Machinery. No hobby shops or Recreational Vehicle or car maintenance (other than emergency maintenance) shall be permitted on the Property except with prior written approval of the Board. No equipment, machinery, junk, debris, building materials, or similar matter shall be placed, stored or kept in or on any Lot, parking area or street within or adjoining the Property.

5.11. Laundry. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot; provided, however, the foregoing shall not prohibit the placement from time to time on "as-needed basis" of temporary drying racks between the Recreational Vehicle and the rear Lot line but such racks will not allowed to be an eyesore. No washing machine or dryer shall be kept on any Lot, except within a Recreational Vehicle or except within the Lot's Residential Building.

5.12. Propane Tanks. Only propane tanks used in connection with barbecue grills and Recreational Vehicles, which are standard equipment, shall be permitted on any Lot, provided such tanks are in compliance with all applicable codes and laws.

5.13. Maintenance of Lawns, Plantings and Landscape. All Lots, landscaping, driveways, and exteriors must be kept neat, sanitary, tidy, and attractive at all times. The Association shall be responsible, as a common expense, for maintaining irrigation, mowing, trimming, and maintaining landscaping for the Lots and the Common Areas.

5.14. Outside Installations. No outside installations of any type, including, but not limited to, radio antennas, clotheslines, fences, and flagpoles shall be constructed or maintained on any Lot unless with the prior written consent of the Board. Reasonable outside installations which are constructed as part of the authorized Recreational Vehicles shall be permitted. It shall be within the board's sole discretion to determine whether any such outside installation is unreasonable.

5.15. Vehicle Parking. Only one (1) Recreational Vehicle and two (2) other vehicles (automobile, truck, motorcycle, etc.) shall be parked or maintained on any Lot. No Recreational Vehicle, truck, automobile, or any other type of motor vehicle, may be washed, cleaned or polished anywhere on the property except in an area designated for such purpose by the Developer.

5.16. Resubdivision. No Lot shall be resubdivided nor shall less than an entire Lot be sold.

5.17. Improvements. No Improvements shall be installed, situated, placed, erected, or planted on any Lot without the prior written consent of the Association unless otherwise specifically allowed elsewhere in this Declaration.

5.18. Taxes. Each Owner shall pay when due, before delinquency, all taxes, Assessments, levies, fees and all other public charges and utility fees and charges of every kind and nature imposed upon or assessed against its Lot.

5.19. Rules and Regulations. The Board may adopt, publish, and, from time to time, amend Rules and Regulations for the purpose of implementing, enforcing and administering the purposes of this Declaration.

5.20. Hazardous Substances. No activity will be permitted on any Lot or the Common Area that, in the sole opinion of the Board, will create or emit offensive, hazardous or excessive quantities of dust, dirt, ash, smoke, noise, fumes, odors or vibrations, or create risk of fire, explosion or other hazards or is not in harmony and consistent with the Property. Activities prohibited hereunder, include, but are not limited to activities which result in the disposal of Hazardous Substances in any form upon the Property. For the purposes of this Declaration the term "Hazardous Substance" shall mean any product, substance, chemical, material or waste whose presence, nature, quantity or intensity of existence, use, manufacture, disposal transportation spill, release or effect, either by itself or in connection with other materials expected to be found upon any lot, is either: (a) potentially injurious to the public health, safety or welfare, the environment or the Property; (b) regulated or monitored by any governmental authority; or (c) a basis for liability of Developer or any owner to any governmental agency or third party under any applicable state or common law property.

5.21. Electrical Meter, Natural Gas, and Telephone Service. Electrical and, if desired by an Owner, telephone service to each individual Lot will be metered and billed by the providing company to each Owner, and each Owner shall be responsible for the connection of such services.

5.22. No Drilling or Wells. No derrick, windmill, pump or other structure designed for use in boring, mining, or quarrying for oil, natural gas, or precious minerals shall be erected, maintained, or permitted upon any portion of the Property. No private water well or other independent water supplies or facilities, windmill, pump, or other structure for furnishing water shall be constructed or maintained on any portion of the Property except as originally constructed on the Property.

5.23. No Private Sewers or Septic Systems. No private sewer system, septic tank, leach field, or other system of solid waste disposal, excluding the sewer system installed by or on behalf of Developer for the Development, shall be constructed, built, or used.

5.24. No Permanent Residential Use. No Lot shall be continuously occupied as a full time or permanent residence.

5.25. Limit on Occupants. In no event shall any Lot or Recreational Vehicle parked thereon have more than six (6) occupants for more than seven (7) consecutive days or for more than thirty (30) days in any forty-five (45) day period.

5.26. Owner's Private Buildings. Each Owner shall maintain each Owner's Private Buildings in good, attractive condition and so as not to detract from the appearance of the Resort. All such Private Buildings shall be consistent with a uniform appearance designated by the Association and constructed by the Developer.

5.27. Condition of Recreational Vehicle. Each Owner shall be responsible for ensuring that the Recreational Vehicle on such Owner's Lot shall be in good working order and in an attractive condition so as not to detract from the Resort, and in no event, shall any Recreational Vehicle older than fifteen (15) years, measured from January 1 of the model year, shall be allowed on a Lot.

5.28. Trash Pick-Up. The Association shall arrange for regular trash pick-up and publish guidelines for the disposal of same by the Lot Owners, and the Lot Owners must comply with such guidelines.

5.29. Wetlands Mitigation Plan. The Association and the Lot Owners shall observe and not violate the provisions of any wetlands mitigation plan established by Developer or any of its affiliates as such plan may apply to the Resort land. The Lots in the Resort are conveyed subject to such plan and to any covenants presently or hereafter recorded pursuant to such plan.

ARTICLE VI COMMON EXPENSES

6.01. Share of Common Expenses. Each Lot Owner shall be assessed and is individually liable for a proportionate share of the Common Expenses. Payment of Common Expenses shall be in such amounts and at such times as determined in the Bylaws. Assessments shall be collected by the Association on a monthly basis. All Lots shall be assessed on an equal basis, except that Developer-owned Lots shall not be subject to Assessments as long as Developer is willing to cover any operating deficit with such contributions to the Association as are required to fund such deficits. No Lot Owner (except Developer as provided in the immediately preceding sentence) shall be exempt from payment of his or her proportionate share of the Common Expenses by waiver or non-use or non-enjoyment of the Common Elements or by abandonment of his Lot. Common Expenses shall include but shall not necessarily be limited to expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts.

6.02. Late Payment of Assessments. Assessments for Common Expenses and installments thereon, paid on or before fifteen (15) days after the date when due shall bear no interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear such late charges, penalties, interest and other costs and expenses, at a rate set by the Board, but not to exceed the maximum legal rate, together with all expenses, including attorney's fees incurred by the Association in any undertaking to collect such unpaid Assessments and expenses. All payments upon account shall be first applied to such charges, penalties, interests and other costs and expenses, including attorney's fees, and then to the Assessment payment due. The Association may, in the manner provided for in the Bylaws, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association.

6.03. Liens for Assessments. The Association is hereby granted a lien upon each Lot and its appurtenant undivided interest in Common Elements and upon the goods, furniture and effects belonging to the Lot Owner and located in such Lot, which lien shall secure and does secure the moneys due for all Assessments now or hereafter levied or subject to being against the Lot Owner; which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Assessment owing to the Association; which lien shall also secure all costs and expenses, including reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Lot and its appurtenant undivided interest in the Common Elements.

6.04. Priority of Lien. The Association shall have a lien for nonpayment of Common Expenses. Such lien will be subordinate to any first mortgagee of any Lot if the mortgage was recorded before the delinquent Assessment became due. In any suit for the foreclosure of a lien for Assessments, the Association shall be entitled to rental from the Lot Owner from the date on which the payment of any Assessment or installment thereof becomes delinquent and shall be entitled to the appointment of a receiver for said Lot, without notice to the Lot Owner. The rental required to be paid shall be equal to the rental charged on comparable type of dwelling Lots in the area in which the Resort is located. The lien granted to the Association shall further secure such advances for taxes and other payments which may be required to be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at a rate set by the Board of Directors of the Association but in no case shall said interest exceed the maximum legal rate on any such advances made for such purposes. All Persons who shall acquire, by whatever means, any interest in the ownership of any Lot, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association. A lien for Common Expenses shall not be affected by any sale or transfer of a Lot, except as herein provided. A sale or transfer pursuant to a foreclosure of a mortgage or first vendor's lien shall extinguish a subordinate lien for Assessments which became payable prior to such sale or transfer; provided, however, a sale or transfer pursuant to a foreclosure of a first mortgage or first vendor's lien shall not extinguish the lien of the Association to the extent of the Common Expense Assessments based on the periodic budget adopted by the Association, which would have become due in the absence of acceleration during the six months immediately preceding the institution of an action to enforce the lien. However, any such delinquent Assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all of the Lots as a Common Expense. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a Lot from liability for, nor the Lot from the lien of, any Assessments made thereafter.

ARTICLE VII THE ASSOCIATION

7.01. Powers and Duties. The operation and administration of the Resort shall be by the Association of the Lot Owners. The Association shall be a not for profit Alabama corporation

incorporated by Articles of Incorporation recorded in the office of the Judge of Probate of Baldwin County, Alabama. The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or nonexercise of its powers. The Association shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of Lot Owners with reference to the Common Elements, the roof and structural components of the Buildings or other improvements, and mechanical, electrical and plumbing elements serving improvements or the Buildings as distinguished from mechanical elements serving only a Lot; and with reference to any and all other matters in which all the Lot Owners have a common interest. The Association shall have all the powers and duties granted to or imposed on it under the Bylaws and other Resort Constituent Documents as they may be amended from time to time. The Association is specifically authorized to enter into agreements by which its powers and duties, or some of them, may be exercised or performed by some other Person. The Association shall have a reasonable right of entry upon any Lot for its reasonable purposes and further, shall have the right to grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Resort. The Board shall have the authority and duty to levy and enforce the collection of general and specific Assessments for Common Expenses and is further authorized to provide adequate remedies for failure to pay such Assessments.

7.02. Name. The name of the Association shall be Buena Vista RV Resort Property Owners Association, Inc.

7.03. Members. Each Lot Owner shall be a Member of the Association so long as he is a Lot Owner. A Lot Owner's membership shall immediately terminate when he ceases to be a Lot Owner. The membership of a Lot Owner cannot be assigned or transferred in any manner except as an appurtenance to his Lot.

7.04. Voting Rights. Each Lot shall be entitled to one (1) vote, which vote is not divisible. The vote for a Lot shall be cast by the Lot Owner thereof in the manner provided for herein and in the Bylaws. However, should the Association be a Lot Owner, it shall not have the voting right for that Lot.

7.05. Designation of Voting Representative. In the event a Lot is owned by one (1) Person, his right to vote shall be established by the record title to his Lot. If a Lot is owned by more than one (1) Person, the Person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record Lot Owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, partnership or limited partnership, the officer, employee or individual entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by the president or vice-president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation) or by the general partner or partners if more than one (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a Lot owned by more than one (1) Person or by a corporation, partnership or

limited partnership, the membership or vote of the Lot concerned may be cast as determined by the Board. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned is effected. A certificate designating the Person entitled to cast the vote of a Lot may be revoked by any Lot Owner thereof.

7.06. Restraint upon Assignment of Shares in Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his Lot.

7.07. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not fewer than three (3) nor more than nine (9) as shall, from time to time, be determined and fixed by a vote of a majority of the voting rights present at any annual meeting of the Members.

7.08. Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

7.09. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the Property, the Association shall not be liable for injury or damage caused by a latent condition of the Property to be maintained and repaired by the Association nor for injury or damage caused by the elements, or other Lot Owners or Persons.

7.10. Bylaws. The Association and its Members shall be governed by the Bylaws.

7.11. Period of Developer's Control of Association and Other Special Developer Rights. Until the earlier twenty (20) years after the date of this instrument or the date that the Developer elects to turn over control of the Association, the Bylaws and rules adopted by the Developer shall govern and the Developer shall have the exclusive right to appoint, remove, and designate the officers and members of the Board of Directors, and neither the Lot Owners nor the Association nor the use of the Resort by Occupants of Lots shall interfere with the completion of the contemplated improvements or the sale of the Lots. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board; but, in that event, the Developer may require, for the duration of the period of Developer control, that specified actions

of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective.

The Developer may make such use of the unsold Lots and of the Common Elements as may facilitate such completion and sale, including but not limited to showing of Lots and the display of signs. The Developer may maintain sales offices and models on any Lot or on or in the Common Elements. The Developer shall be permitted to relocate said sales offices and models from one Lot location to another or from one area of the Common Elements to another area of the Common Elements in the Resort. The Developer may maintain signs on the Common Elements advertising the Resort.

7.12. Contracts. Developer, on behalf of the Association, may enter into such management contracts, employment contracts, or other contracts or agreements as Developer may deem appropriate; such contracts may be entered into with independent third parties and/or with affiliates of Developer; such contracts shall, if the expressed term thereof so provides, survive the termination of the period of Developer's control and shall continue to bind the Association for the period of the term or terms stated in said contracts.

7.13. Availability of Records. The Association shall keep such financial records as are customary for property owners association along the Alabama Gulf Coast. The Association shall make reasonably available at the Resort for examination by Lot Owners, prospective purchasers, first Mortgagees and insurers and/or guarantors of first mortgages of any Lot, or their authorized agents, current copies of the Declaration, Bylaws, Rules and Regulations and other books, records, financial statements and the most recent annual financial statement of the Association. Reasonably available shall mean available for inspection upon request, during normal business hours or under reasonable circumstances. Any Eligible Mortgagee shall have the right to have prepared at its expense an audited financial statement of the Association.

7.14. Reserve Fund and Working Capital Fund.

A. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements which the Association is obligated to maintain. The fund shall be maintained out of regular Assessments for Common Expenses.

B. Working Capital Fund. The Association shall also have a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. The Purchase Agreement for any Lot (in connection with the original sale of any Lot by the Developer) shall require the Purchaser thereunder to pay to the Association at closing a sum equal to a two month installment of Assessments as a nonrefundable contribution to the initial working capital fund, which payment shall not be considered as advance payments of regular Assessments. The working capital fund shall be transferred to the Association for deposit into a segregated account when control of the Association is transferred to the Lot Owners. The

Developer is prohibited from using working capital funds to defray any of the Developer's expenses, reserve contributions, or construction costs or to make up any budget deficits while the Developer is in control of the Association.

ARTICLE VIII MAINTENANCE AND UTILITY SERVICES

8.01. Maintenance Obligation of Owners. It shall be the duty of each Owner at his sole cost and expense to maintain, repair, replace, restore (including any maintenance, repairs, replacement or restoration required as a result of any damage or destruction of the Property by casualty or otherwise unless otherwise provided) the Recreational Vehicle on his Lot and to maintain such Owner's Lot in a neat, sanitary and attractive condition and in accordance with the Rules and Regulations of the Association and this Declaration. If any Owner shall damage the landscaping on the Lot or another Lot or in the Common Elements, the Association shall make such repairs and perform such maintenance and charge the costs thereof to Owner. Such costs shall be enforced, including penalties, fees, and costs, as an Assessment against the Lot pursuant to Article VI.

8.02. Maintenance by the Association and Utility Services. The Association is responsible for maintenance, repair, and replacement of the Common Elements and maintaining the lawn area of each Lot. The Association shall pay all water and sewer bills and may regulate water usage and shall be responsible for cable television service provided to the Resort. The Association shall also provide for regular trash pick up.

8.03. Addition, Alteration and Improvement of the Common Elements. After the completion of the improvements included in the Common Elements which are contemplated by this Declaration, there shall be no addition, alteration, change, or further improvement of Common Elements without prior approval of the Association.

8.04. Lot Owner's Covenants. Each Lot Owner covenants and agrees as follows:

A. To perform all maintenance, repairs, and replacements that are the Lot Owner's obligations under this Declaration.

B. To pay for all the Lot Owner's electrical, natural gas, and telephone services used within the Lot and all taxes levied against the Lot Owner's Lot.

C. Not to make, or cause to be made, any repairs to any plumbing, heating, ventilation or air conditioning systems located outside the Lot Owner's Lot but required to be maintained by the Lot Owner pursuant to the provisions hereof, except by licensed plumbers or electricians authorized to do such work by the Association or its agent.

D. Not to make any addition or alteration to a Lot or to the Common Elements or to do any act that would impair the structural soundness or safety of any part of the Resort. Structural alterations within a Lot may be made only with the written consent of the Association.

E. To make no alterations, additions, improvements, repairs, replacements, or changes to the Common Elements or to any outside or exterior portion of Owner's Private Buildings except as specifically allowed by the provisions of this Declaration or without the prior written consent of the Association. If consent is granted, the Lot Owner shall use only a licensed contractor who shall comply with the Rules and Regulations with respect to the work which may be adopted by the Association. The Lot Owner shall be liable for all damages to another Lot and to the Common Elements caused by any contractor employed by such Lot Owner or by the subcontractor or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise.

F. To allow the Association, its delegates, agents, or employees at all reasonable times to enter into any Lot for its reasonable purposes including maintaining, inspecting, repairing, or replacing the lawn area of any Lot or the Common Elements or for repairing, maintaining or replacing any plumbing or other utility lines within such Lot but serving other parts of the Resort; or to determine, in case of emergency, the circumstances threatening Lots or Common Elements and to correct the same; or, to determine compliance with the provisions of the Resort Constituent Documents.

G. To promptly report to the Association any defects or needed repairs for which the Association is responsible.

H. To reimburse the Association for any repairs or replacements which are made necessary because of abuse, negligence, or accidental use by a Lot Owner of the Property, the cost of such repair or replacement may be assessed against such Lot Owner.

ARTICLE IX INSURANCE

9.01. Purchase of Insurance. Commencing not later than the time of the first conveyance of a Lot to a Person other than the Developer, the Association shall maintain insurance in accordance with this Declaration. One copy of each insurance policy and of all endorsements thereto shall be furnished by the Association to any first Mortgagee requesting a copy. All policies of insurance must be issued by companies specifically authorized by the laws of the State of Alabama to transact such business. Any company issuing any such policy must have a "A" general policyholder rating or a financial performance index of "6" or better in the Best's Key Rating Guide, or an "A" or better rating from Demotech, Inc.; provided, however, that policies issued by Lloyd's of London will be acceptable and policies issued by a carrier not

meeting the above requirements are acceptable if the particular issues are covered by 100% reinsurance with a company that does meet said requirements.

Such insurance shall cover the Common Elements, except land, foundation, excavation, and other items usually excluded from coverage, building service equipment and supplies, and other personal property and supplies belonging to the Association in an amount of not less than one hundred percent (100%) of the insurable replacement thereof, exclusive of land, excavation, foundation, and other items normally excluded from property policies against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement.

The Association must obtain, maintain, and pay the premiums upon, as a Common Expense, a comprehensive general liability insurance policy, including medical payments insurance, as required by the Act and covering all the Common Elements, commercial space owned or leased by the Association, and right of ways of the Resort. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location, and use. However, such coverage shall be, if reasonably available, for at least one million dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence, and in no event less than \$1,000,000.00. Coverage under this policy shall include, if reasonably available, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association. If such policy does not include "severability of interests" the policy must include a specific endorsement that precludes the insurer's denial of an owner's claim because of negligent acts of the Association or other Lot Owners.

9.02. Personnel Coverages. Should the Association employ personnel, all coverages required by law, including workman's compensation, shall be obtained so as to meet the requirements of the law.

9.03. Fidelity Bonds. The Association shall obtain, maintain and pay the premiums upon, as a Common Expense, a fidelity bond to protect against loss of money by dishonest acts on the part of all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of the Association or funds administered by the Association. Where a management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond shall name the Association as the obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than one hundred and fifty percent (150%) of the estimated annual Common Expenses. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without

compensation from the definition of "employees," or similar terms or expressions. The premiums on all bonds required herein to be maintained by the management agent shall be paid by the management agent. The bond shall provide that the Association and any first Mortgagee shall be given ten (10) days written notice before the policy/bond may be canceled or modified for any reason.

9.04. Other Insurance. The Association shall have authority to obtain such Other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable. The premiums for such insurance shall be a Common Expense.

9.05. Individual Insurance. Nothing contained herein shall be construed to prevent a Lot Owner from obtaining insurance for his own benefit.

9.06. Insurance Premiums. Insurance premiums maintained by the Association, including the insurance on the Owner's Private Buildings, shall be paid by the Association as a Common Expense. Should the Association fail to pay such insurance premiums when due, or should the Association fail to comply with other insurance requirements of a Mortgagee, the Mortgagee shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance. To the extent of any money so advanced, the Mortgagee shall be subrogated to the Assessment and the lien rights of the Association as against the individual Lot Owners for the payment of such item of Common Expense.

9.07. Insurance Beneficiary. Except as provided herein with respect to the Owner's Private Buildings, all insurance policies purchased by the Association shall be for the benefit of the Association

9.08. Owner's Private Buildings. The Association shall maintain and pay the premiums for, as a Common Expense, casualty insurance on Owners' Private Buildings. The deductible for such policy shall be such amount as the Association Board of Directors shall deem reasonable. In the event of a casualty loss to any such Owner's Private Buildings, the Association shall apply for and have authority to settle insurance claims on behalf of each affected Owner. The Association shall be responsible for using the proceeds for the reconstruction or repair of such Buildings; to the extent that the insurance proceeds are insufficient to complete such reconstruction or repair, the Association shall advance the deficit amount and shall bill the affected Owner as a Supplemental Assessment, which shall be due and payable not later than fifteen (15) days following notice of such Supplemental Assessment. To the extent required in order to effectuate the provisions of this paragraph, the Association shall be considered an Insurance Trustee.

9.09. General. To the extent that any insurance program specifications (including limits of liability, endorsements, etc.) required under this Article 9 are not customarily met by prudent owners associations of comparable developments located on the Alabama Gulf Coast, are unduly expensive to meet, or require coverage which is not reasonably available, then less stringent

insurance program specifications shall be permitted hereunder. If the insurance described above which is required to be maintained is not reasonably available, the Association promptly shall give notice of that fact to be hand delivered or sent prepaid by United States Mail to all Lot Owners.

ARTICLE X AMENDMENT

10.01. Amendment.

A. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. The resolution shall be adopted by the vote, in person or by proxy, or by written consent of Members representing not less than sixty-seven percent (67%) of the voting power of the Association, provided that the specified percentage of the voting power of the Association necessary to amend a specified Section or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision.

B. The Mortgagees of sixty-seven percent (67%) of the first Mortgages on all the Lots in the Project who have requested the Association to notify them of proposed action requiring the consent of a specified percentage of first mortgagees must approve any amendment to this Declaration which is of a material nature, including the following:

(1) Any amendment which affects or purports to affect the validity or priority of mortgages or the rights or protection granted to Mortgagees, insurers or guarantors of first mortgages as provided herein;

(2) Any amendment which would necessitate a Mortgagee after it has acquired a Lot through foreclosure, to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure;

(3) Any amendment which would or could result in a Mortgage being canceled by forfeiture, or in a Lot not being separately assessed for tax purposes; or

(4) Any amendment relating to the disposition of any money received in any taking under condemnation proceedings.

C. Each Mortgagee of a first Mortgage on a Lot in the Project which receives proper written notice of a proposed amendment or termination of this Declaration by certified or registered mail with a return receipt requested shall be deemed to have approved the amendment or termination if the mortgagee fails to submit a response to the notice within thirty (30) days after the Mortgagee receives the notice.

D. A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when a certificate of amendment is recorded with the Baldwin County, Alabama Judge of Probate office real estate records. The certificate, signed and sworn to by two (2) officers of the Association that the requisite number of Owners and Mortgagees have either voted for or consented in writing to any amendment adopted as provided above, when recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. The certificate reflecting any termination or amendment which requires the written consent of any of the Beneficiaries of first Mortgages shall include a certification that the requisite approval of such first Mortgagees has been obtained.

E. Notwithstanding any other provisions of this Article X, as long as Developer owns more than three (3) Lots, Developer may unilaterally amend this Declaration at any time or times by recording a written instrument which effects the amendment and is signed and acknowledged by Developer.

ARTICLE XI PURCHASE OF LOT BY ASSOCIATION

11.01. Decision. The decision of the Association to purchase a Lot shall be made by the Board without the approval of the Members except as provided in this Article.

11.02. Limitation. If at any time the Association is already the Lot Owner of or has agreed to purchase one or more Lots, it may not purchase any additional Lots without the prior written approval of Members holding sixty-seven percent (67%) of the votes of those Members eligible to vote thereon, except as provided in this Article. A Member whose Lot is the subject matter of the proposed purchase shall be ineligible to vote thereon. Notwithstanding the foregoing, however, the foregoing limitations shall not apply to Lots either to be purchased at public sale resulting from a foreclosure of the Association's lien for delinquent Assessments where the bid of the Association does not exceed the amount found due the Association, or to be acquired by the Association in lieu of foreclosure of such lien if the consideration therefor does not exceed the cancellation of such lien. In any event, the Board or a designee thereof, acting on behalf of the Association, may only purchase a Lot in accordance with this Article, or as the result of a sale pursuant to the foreclosure of:

- (A) A lien on the Lot for unpaid taxes;
- (B) a lien of a mortgage;
- © the lien for unpaid Assessments;
- (D) or any other judgment lien or lien attaching to such Lot by operation of law.

ARTICLE XII NOTICE OF LIEN OR SUIT

12.01. Notice of Lien. A Lot Owner shall give notice in writing to the Secretary of the Association of every lien on his Lot, other than liens for first mortgages, current taxes, and special Assessments, within five (5) days after he receives notice of the attaching of the lien.

12.02. Notice of Suit. A Lot Owner shall give notice in writing to the Secretary of the Association of every suit or other proceeding that may directly affect the title to his Lot, with such notice to be given within five (5) days after the Lot Owner obtains knowledge thereof.

12.03. Failure to Comply. Failure to comply with this section will have no effect on the validity of any judicial proceeding.

ARTICLE XIII RULES AND REGULATIONS

13.01. Compliance. Each Lot Owner and the Association shall be governed by and shall comply with the terms of the Resort Constituent Documents and the Rules and Regulations applicable to the Property. Ownership of a Lot subjects the Lot Owner to compliance with provisions of this Declaration, the Articles, the Bylaws, the Rules and Regulations of the Association, and any contracts to which the Association is a party, as well as to any amendments to any of the foregoing. Failure of the Lot Owner to comply therewith shall entitle the Association or other Lot Owners to an action for damages or injunctive relief, or both, in addition to other remedies provided in the Resort Constituent Documents.

13.02. Enforcement. The Association, through the Board, is hereby empowered to enforce the Resort Constituent Documents and all Rules and Regulations of the Association by such means as are allowed under applicable law, including the imposition of reasonable fines (after reasonable notice and opportunity to be heard) from time to time as set forth in the Bylaws. In the event a Lot Owner fails to maintain his Lot in the manner required in the Resort Constituent Documents and any Rules and Regulations of the Association, the Association, through the Board, shall have the right to assess the Lot Owner and the Lot for the sums necessary to do the work required to effect compliance and to collect, and enforce the collection of, a special Assessment therefor as provided in this Declaration. In addition, the Association shall have the right, for itself and its employees and agents, to enter such Lot Owner's Lot and perform the necessary work to effect compliance. Lot Owners shall have the right to enforce the provisions of the Resort Constituent Documents and decisions of the Association against the Association, and, if aggrieved, against other Lot Owners.

13.03. Negligence. A Lot Owner shall be liable for the expense of any maintenance,

repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire and casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Lot, or the Common Elements. The liability for such increases in insurance rates shall equal five times the first resulting increase in the annual premium rate for such insurance.

13.04. No Waiver of Rights. The failure of the Association or any Lot Owner to enforce any covenant, restriction, or other provision of the Resort Constituent Documents, or any Rules and Regulations adopted pursuant thereto shall not constitute a waiver of the right to do so.

ARTICLE XIV GENERAL PROVISIONS PERTAINING TO MORTGAGES

14.01. Lender's Notices. Upon written request to the Association, identifying the name and address of the Mortgagee, insurer or guarantor and the Lot number or address, any Mortgagee, insurer, or guarantor will be entitled to timely written notice of:

A. Any condemnation or casualty loss that affects either a material portion of the Development or the Lot securing its mortgage.

B. Any 60-day delinquency in the payment of Assessments or charges owed by the Lot Owner of any Lot on which it holds the mortgage.

C. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

D. Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE XV MISCELLANEOUS

15.01. Covenants, Conditions and Restrictions. All provisions of the Resort Constituent Documents shall, to the extent applicable and unless otherwise expressly therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein; and all of the provisions of the Resort Constituent Documents shall be binding on and inure to the benefit of any Lot Owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representative, successors, and assigns, but said provisions are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All Lot Owners and Occupants shall be subject to and shall

comply with the provisions of the Resort Constituent Documents and any Rules and Regulations promulgated thereunder.

15.02. Severability. The invalidity in whole or in part of any covenant or restriction or any paragraph, subparagraph, sentence, clause, phrase, word, or other provision of this Declaration, the Articles, the Bylaws, any Rules and Regulations of the Association promulgated pursuant thereto, and any exhibits attached hereto, as the same may be amended from time to time, or the invalidity in whole or in part of the application of any such covenant, restriction, paragraph, subparagraph, sentence, clause, phrase, word or other provision shall not affect the remaining portion thereof.

15.03. Notice. The following provisions shall govern the construction of the Resort Constituent Documents, except as may be specifically provided to the contrary herein: All notices required or desired under the Resort Constituent Documents to be sent to the Association shall be sent certified mail, return receipt requested, to the Secretary of the Association, at such address as the Association may designate from time to time by notice in writing to all Lot Owners. All notices to any Lot Owner shall be delivered in person or sent by first-class mail to the address of such Lot Owner, or to such other address as he may have designated from time to time, in a writing to the Association. Proof of such mailing or personal delivery to a Lot Owner by the Association may be provided by the affidavit of the Person or post office certificate of mailing. All notices to the Association or a Lot Owner shall be deemed to have been given when delivered to the addressee in person or by a post office certificate of mailing.

15.04. Governing Law. Should any dispute or litigation arising between any of the parties whose rights or duties are affected or determined by the Resort Constituent Documents or any Rules and Regulations adopted pursuant to such documents, such dispute or litigation shall be governed by the laws of the State of Alabama.

15.05. Waiver. No provisions contained in the Resort Constituent Documents shall be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

15.06. Ratification. Each Lot Owner, by reason of having acquired ownership of his Lot, whether by purchase, gift, operation of law, or otherwise, shall be deemed to have acknowledged and agreed that all the provisions of the Resort Constituent Documents and any Rules and Regulations promulgated thereunder are fair and reasonable in all material respects.

15.07. Captions. The captions used in the Resort Constituent Documents are inserted solely as a matter of convenience and reference and shall not be relied on and/or used in construing the effect or meaning of any of the text of the Resort Constituent Documents.

15.08. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a Lot Owner, the prevailing party shall be entitled to recover the costs of the proceedings and

such reasonable attorney's fees as may be awarded by the court.

IN WITNESS WHEREOF, ORANGE BEACH RV INVESTMENTS, LLC, an Alabama limited liability company, has caused this instrument to be executed on this the 13TH, day of DECEMBER, 2012.

ORANGE BEACH RV INVESTMENTS, LLC,
an Alabama limited liability company

By: [Signature]
Its: PRES. MANAGING MEMBER

STATE OF ALABAMA)

COUNTY OF BALDWIN)

I, T. D. MOORE, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that JAMES V. GEDDAM, whose name as MANAGER of ORANGE BEACH RV INVESTMENTS, LLC, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he, as such Managing Member 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 seal this the 13TH day of DECEMBER, 2012.

[Signature]
Notary Public
My Commission Expires: 10/18/15

Executed for the purpose of asserting to and giving written consent to the recording of the instrument set out above.

American National Bank of Minnesota
A National Banking Association

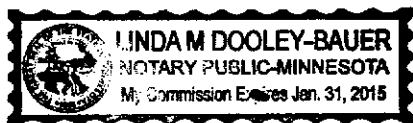
By: Terrance A. Kurowski
Its: President / St. Cloud

STATE OF Minnesota)

COUNTY OF Stearns)

I, Linda M Dooley-Bauer, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Terrance A Kurowski, whose name as President / St. Cloud of American National Bank of Minnesota, a national banking association, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, she/he, as such President / St. Cloud 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 seal this the 6th day of December, 2012.



Linda M Dooley Bauer
Notary Public
My Commission Expires: 1-31-15

THIS INSTRUMENT PREPARED BY:

Jule R. Herbert Jr.
Herbert Law Firm LLC
Attorney at Law
P.O. Drawer 3889
Gulf Shores, AL 36547
(251) 968-4764