

DECLARATION OF CONDOMINIUM
OF
BELLA TERRA GULF SHORES RV RESORT CONDOMINIUM

BALDWIN COUNTY, ALABAMA
JUDGE ADRIAN T. JOHNS
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I. PREAMBLE, NAME AND LEGAL DESCRIPTION

The undersigned, Bella Terra, LLC, whose address is 6194 Gulf Shores Parkway, Gulf Shores, Alabama, 36542 ("Developer") owns fee simple title of record to those certain lands located in Baldwin County, Alabama, and more particularly described in section 1.2. Developer submits fee simple title to this property together with the improvements located on such property to the condominium form of ownership in accordance with the provisions of the Alabama Uniform Condominium Act (as defined in Article II) and the provisions of this Declaration:

1.1 Name. The name of the condominium is Bella Terra Gulf Shores RV Resort Condominium ("RV Resort").

1.2 Legal Description. The property submitted to the condominium form of ownership under this Declaration of Condominium of Bella Terra Gulf Shores RV Resort Condominium ("Declaration") consists solely of that portion of property situated in Baldwin County, Alabama that is described on Exhibit "A" that describes Phase 1 as it is depicted on Exhibit "A-1," both exhibits which are attached to and made part of this Declaration, together with those easements more specifically described in this Declaration, including easements described in the attached Exhibit "A." No other phases are being submitted to the condominium form of ownership at this time.

1.3 Shared Facilities. The RV Resort has been structured in such a manner as to minimize areas typically categorized as "common elements". Most components that are typically "common elements" of a condominium have instead been designated as part of the Shared Facilities of a Resort Operation Unit. Shared Facilities include such areas as the Grand Clubhouse, Owners Only Clubhouse, private bath houses, pools and pool deck, parking, all utility systems, and other areas, as further described in Section 2 of the Shared Facilities Easement (defined below). A Resort Unit Owner and Permitted User of a Unit in the RV Resort (as defined in the Shared Facilities Easement) will be entitled to use, access to and enjoyment of these Shared Facilities so long as that Owner pays that Owner's proportionate share of the Shared Facilities Costs in accordance with Section 7 of the Shared Facilities Easement.

II. DEFINITIONS

All terms in this Declaration (defined below) have the meanings ascribed to them by the Alabama Uniform Condominium Act (defined below) and this Declaration. In the event of conflict between these authorities, the meaning pursuant to the Alabama Uniform Condominium Act will prevail. The following definitions prevail to the extent that they are not in conflict with the Alabama Uniform Condominium Act:

2.1 Alabama Uniform Condominium Act means the Alabama Uniform Condominium Act of 1991, *Code of Alabama*, Section 35-8A-101, et. seq., as the same is constituted on the date of the recording of this Declaration with the Judge of Probate of Baldwin County, Alabama. Any reference to a provision or specific article, section, paragraph, sub-article, sub-section, or sub-paragraph of Alabama Uniform Condominium Act is a reference to the same as it is constituted on the date of the recording of this Declaration with the Judge of Probate of Baldwin County, Alabama.

2.2 Articles of Incorporation means the Articles of Incorporation of the Association, as they may be amended from time to time. A copy of the initial Articles of Incorporation is attached as Exhibit "B" and is incorporated into this Declaration by this reference.

2.3 Association means Bella Terra Gulf Shores RV Resort Condominium Association, Inc., a nonprofit Alabama corporation, and its successors. The Association is responsible for the operation of the RV Resort.

2.4 Association Property means all real and personal property owned or leased by the Association.

2.5 Baldwin Courts means the Circuit and District Courts of the Twenty Eighth (28th) Judicial Circuit, in and for Baldwin County, Alabama.

- 2.6 Board means the board of directors of the Association as it is constituted from time to time.
- 2.7 Bylaws means the Bylaws of the Association as they may be amended from time to time. A copy of the initial Bylaws is attached as Exhibit "C" and is incorporated into this Declaration by this reference.
- 2.8 Common Elements means all portions of the condominium other than the Units (defined below), as defined in Alabama Uniform Condominium Act, and those items described in this Declaration as Common Elements and includes any Limited Common Elements. Common Elements do not include the Shared Facilities. The RV Resort has been established in such a manner to minimize the Common Elements. Most components which are typical "common elements" of a condominium have instead been designated in this Declaration as part of the Shared Facilities, including, without limitation, all property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements, if any.
- 2.9 Common Expenses means expenditures made by or financial liabilities of the association, together with any allocations to reserves, as defined by the Alabama Uniform Condominium Act. It shall be an affirmative and perpetual obligation of the Board set forth in the Bylaws to fix annual assessments for Common Expenses in an amount estimated by the Board to be sufficient to cover the aforementioned costs, maintain the RV Resort Property and to maintain and operate the Common Elements in conformance with the Resort Standard, as defined in the Shared Facilities Easement, and as contemplated by this Declaration. The amount of monies for annual assessments for Common Expenses of the Association deemed necessary by the Board and the manner of expenditure thereof shall be a matter for the sole discretion of the Board. Common Expenses shall include the Shared Facilities Costs as billed to the Association by Resort Operation Unit Owner(s) pursuant to this Declaration and the Shared Facilities Easement.
- 2.10 Common Surplus means any excess of receipts of the Association arising out of the Common Elements over the amount of the Common Expenses.
- 2.11 Declaration means this Declaration of Condominium of Bella Terra Gulf Shores RV Resort Condominium and all exhibits attached to this Declaration, as amended from time to time.
- 2.12 Developer means Bella Terra, LLC, a Alabama limited liability company, its successors or assigns. No party other than Bella Terra, LLC, may exercise all or any portion of the rights and privileges reserved in this Declaration to the Developer unless and until such party receives a written assignment of all or such portion of such rights and privileges from Bella Terra, LLC, and records same with the Judge of Probate of Baldwin County, Alabama.
- 2.13 Estimated Budget means the budget or budgets that account for the estimated annual Common Expenses of the RV Resort for a given fiscal year. The Estimated Budget does not include ad valorem taxes.
- 2.14 Grand Clubhouse means that certain building located on the plat attached as Exhibit "A" and identified as "Building Out Parcel 178" which is part of the Resort Operation Unit and will consist of twenty (20) rooms, for a total of approximately five thousand six hundred (5,600) square feet in area and will consist of a lobby, movie theater, gathering rooms, exercise room with equipment, men's and women's locker rooms and restrooms, saunas, massage room, office, warming kitchen, storage rooms and a patio area.
- 2.15 Guest means an Owner's guests, licensees, lessees or invitees
- 2.16 Limited Common Elements means those Common Elements reserved for use by a certain Unit or Units to the exclusion of other Units and which are designated as Limited Common Elements by this Declaration. Those physical areas designated as Limited Common Elements are shown and located on the attached Exhibit "A" to this Declaration or in subsequent phase amendments to this Declaration.
- 2.17 Management Agreement means the agreement between the Association and any Management Company pursuant to which the Association assigns to the Management Company certain of the Association's

powers, responsibilities, and duties relating to the management and operation of the RV Resort. Management Company means the entity engaged to manage the RV Resort pursuant to a Management Agreement.

2.18 Mortgagee means the Developer, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any trust, savings and loan association, credit union, mortgage company, bank, insurance company, commercial loan company, or institutional lender, to the extent that any of the same hold a first mortgage encumbering any Unit.

2.19 Owner means the owner of a Unit.

2.20 Owners Only Clubhouse means that certain building located on the plat attached as Exhibit "A" and identified as "Building Out Parcel 185" which is contemplated to be constructed during Phase 2 which will contain a lobby, gathering room, wet bar, men's and women's restrooms, storage and a patio area. The Owner's Only Clubhouse will be part of the Resort Operations Unit and will be utilized by only Owners, Owner's family and Guests.

2.21 Recreational Vehicle means those vehicles that have been categorized by the Recreational Vehicle Industry Association ("RVIA"), and the Family Motorcoach Association ("FMCA"), as Class "A" recreational vehicles or motorcoaches and/or factory customized bus conversions, that: "(a) are mobile, in accordance with the code of standards of the RVIA and FMCA; (b) are self-propelled, and completely self-contained; (c) are structured so that the driver's seat is accessible from the living area in a walking position, but not necessarily in an upright position; (d) contain a minimum interior height of six (6) feet in the living areas; (e) have a minimum length of thirty two (32) feet, except where designated as specifically Motorcoach, then that vehicle must have a minimum length of thirty eight (38) feet; (f) have a fixed roof, as opposed to the "pop-up" variety; and (g) and are fifteen (15) years old or newer measured from January 1st. Any Class "A" motorcoach that contains "slide-out" room additions is an acceptable Motorcoach Vehicle under this definition. Also any Class "A" motorcoach that has an entertainment center, bar, barbecue, television, sink, ice maker, or cabinet that is an integral part of the motorcoach, and is built into the storage bays or the sub-basement, and which may or may not slide out on cantilevered rails is permissible under this definition of acceptable Recreational Vehicles.

2.22 Resort Operation Unit means a Unit intended and designed for other than residential use and occupancy and refers to any Unit designated as a Resort Operation Unit in Exhibit "A" or in subsequent phase amendments to this Declaration. Unless the context requires otherwise, any general reference to "Unit" includes any Resort Operation Unit.

2.23 Resort Operation Unit Owners means the Owner of the Resort Operation Unit(s).

2.24 Resort Standard means the standard of quality for the maintenance, repair, replacement, improvements, renovation and overall appearance of the RV Resort existing from time to time, as further described in the Shared Facilities Easement.

2.25 Resort Unit means a Unit intended and designed to be used for the placement of a Recreational Vehicle, and refers to any Unit not designated as a Resort Operation Unit in Exhibit "A" or in subsequent phase amendments to this Declaration. Unless the context requires otherwise, any general reference to "Unit" includes any Resort Unit.

2.26 RV Resort means Bella Terra Gulf Shores RV Resort Condominium.

2.27 RV Resort Documents means this Declaration together with all exhibits attached to this Declaration, all other documents incorporated in this Declaration by reference, and all documents promulgated pursuant to this Declaration, all as may be amended from time to time.

2.28 RV Resort Property means the lands, leaseholds, easements, and real and personal property subjected to the condominium form of ownership from time to time as part of the RV Resort, whether or not

contiguous, all improvements located on any such property, and any easements and rights appurtenant to such property and intended for use in connection with the RV Resort.

2.29 RV Resort Rules and Regulations means the rules and regulations concerning the use of RV Resort Property as amended from time to time by the Board in the manner provided by the Bylaws. A copy of the initial RV Resort Rules and Regulations is attached as Exhibit "E" and is incorporated into this Declaration by this reference.

2.30 Shared Facilities means those certain areas owned by a Resort Operation Unit Owner, which are defined as Shared Facilities in the Shared Facilities Easement, and designated as Shared Facilities on Exhibit "A" attached to this Declaration.

2.31 Shared Facilities Costs means the costs incurred by Resort Operation Unit Owner in (or reasonably allocated to) the repair, replacement, improvement, maintenance, management (including a commercially reasonable management fee), operation, ad valorem tax obligations and insurance of the Shared Facilities (including reasonable reserves if established by the Resort Operation Unit Owner of Shared Facilities), which costs shall be assessed to all Owners on an equal fractional basis.

2.32 Shared Facilities Easement means those easements granted by Resort Operation Unit Owner in favor of the Resort Units and the other Resort Operation Units, in that certain Shared Facilities Easement, recorded in Book _____, Page _____, as recorded with the Judge of Probate of Baldwin County, Alabama.

2.33 Unit means a condominium unit as defined in Alabama Uniform Condominium Act and in Article _____ of this Declaration and refers to that part of the RV Resort Property which is subject to separate and exclusive ownership by one or more persons. No timeshare plans, fractional plans, exchange programs or club, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Units; (b) shall acquire or accommodate Units; and (c) shall be permitted to incorporate a Unit into such entity's program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer, which authorization may be given or withheld in the Developer's sole and absolute discretion, and which authorization shall be evidenced by a written instrument executed by the Developer, recorded with the Judge of Probate of Baldwin County, Alabama, and containing a reference to this Declaration and this Section 2.31. Unless the context requires otherwise any general reference to Unit includes any Resort Unit or any Resort Operation Unit.

2.34 Utility Services means and includes, but is not limited to, electric power, water, garbage and sewage disposal, telephone service, cable television, communications and similar systems, and any other similar public service or convenience facility supplied to the RV Resort.

III. EXHIBITS

The Exhibits referred to in this Declaration consist of the following. These Exhibits and any permitted amendments that may be made to them from time to time are incorporated into this Declaration by this reference:

3.1 Exhibit "A." The legal description and a survey of all potential land committed to the condominium form of ownership pursuant to this Declaration, and a graphic description of the Units and the Common Elements located on such land in a plot plan which, together with this Declaration, are of sufficient detail to identify each Unit, the Common Elements, and their relative locations and approximate dimensions. As set forth in Exhibit "A," each Unit is identified by a designated number, letters, or combination of numbers and letters so that no Unit bears the same designation as any other Unit. The system for designating Units may be altered in accordance with section 18.8. The Resort Operation Units that will be located in Phase 1 of the RV Resort are designated on the attached Exhibit "A."

3.2 Exhibit "A-1." The description of the land in Phase 1 to be committed to the condominium form of ownership pursuant to this Declaration, and a graphic description of the Units and the Common Elements located

on such land in a plot plan which, together with this Declaration, are of sufficient detail to identify each Unit, the Common Elements, and their relative locations and approximate dimensions. As set forth in Exhibit "A" each Unit is identified by a designated number, letters, or combination of numbers and letters so that no Unit bears the same designation as any other Unit. The system for designating Units may be altered in accordance with section 18.8. The Resort Operation Units that will be located in Phase 1 of the RV Resort are designated on the attached Exhibit "A."

3.3 Exhibit "A-2." The description of the land in Phase 2 to be committed to the condominium form of ownership pursuant to this Declaration; and a graphic description of the Units and the Common Elements located on such land in a plot plan which, together with this Declaration, are of sufficient detail to identify each Unit, the Common Elements, and their relative locations and approximate dimensions. As set forth in Exhibit "A," each Unit is identified by a designated number, letters, or combination of numbers and letters so that no Unit bears the same designation as any other Unit. The system for designating Units may be altered in accordance with section 18.8. The Resort Operation Units that will be located in Phase 2 of the RV Resort are designated on the attached Exhibit "A." **Phase 2 NEED NOT BE BUILT.**

- 3.4 Exhibit "B." A copy of the initial Articles of Incorporation of the Association.
- 3.5 Exhibit "C." A copy of the initial Bylaws of the Association.
- 3.6 Exhibit "D." The percentage interest in the Common Elements that is appurtenant to each Unit.
- 3.7 Exhibit "E." A copy of the initial RV Resort Rules and Regulations.
- 3.8 Exhibit "F." A copy of the initial Shared Facilities Easement.

IV. EASEMENTS

The following easements are expressly reserved or have been granted by the Developer through the recording of this Declaration:

4.1 General Easements. Non-exclusive easements over, across, and under the RV Resort Property are expressly provided for and granted as follows:

(a) Utilities. Easements are reserved over, across, and under the RV Resort Property as may be required for construction or maintenance of Utility Services in order to adequately serve the RV Resort or properties located adjacent to the RV Resort that are designated by Developer, including easements for the purpose of allowing such access rights as are necessary to use and service any lift station or utility transformer box located within the RV Resort Property. The Association has a right of access to each Unit to maintain, repair, or replace the pipes, wires, ducts, vents, cables, conduits, and other Utility Services, hot water heaters, service and drainage facilities, and Common Elements contained in the Unit or elsewhere on the RV Resort Property, and to remove any improvements interfering with or impairing such facilities or easements reserved in this Declaration; provided that such right of access, except in the event of an emergency, will not unreasonably interfere with the Owner's permitted use of the Unit, and that except in the event of an emergency, entry may be made on not less than one (1) day's advance written or oral notice (which notice will not, however, be required if the Owner is absent when the giving of notice is attempted).

(b) Encroachments. If any Unit encroaches on any of the Common Elements or on any other Unit as described in this Declaration or on Exhibit "A," or if any Common Element encroaches on any Unit as described in this Declaration or on Exhibit "A," then an easement exists to permit the encroachment for so long as the encroachment exists.

(c) Traffic. A non-exclusive easement exists for pedestrian traffic over, through, and across sidewalks, paths, walks, driving lanes, buildings, and other portions of the Shared Facilities in accordance with the Shared Facilities Easement, as may be from time to time intended and designated for such purpose and use; for vehicular and pedestrian traffic over, through, and across such portions of the Shared Facilities as may from time to time be paved and intended for such purposes; and for vehicular parking on such portions of the Shared Facilities as may from time to time be paved, intended, and designated for such purposes. Such easements are for the use and benefit of the Owners, the Developer, and for those claiming by, through, or under such persons, and those persons' Guests; provided, however, that nothing in this Declaration may be construed to give or create in any person the right to park any vehicle on any portion of the RV Resort Property except to the extent that space may be specifically designated and assigned for parking purposes as set forth on Exhibit "A" and in accordance with the Shared Facilities Easement or as determined by the Board and approved by the Developer with respect to Developer's rights to park on the RV Resort Property. In addition, further easements exist for ingress and egress over such streets, walks, and other rights of way serving the Units as may be necessary to provide for reasonable access to the public ways.

4.2 Association Easements. The Board may grant, modify, or move easements from time to time over the Common Elements or Association Property without obtaining the approval of the Owners. The Board also may enter into easements or licenses benefiting all or a portion of the RV Resort Property or Association Property, with all costs incurred in connection with such easements or licenses being Common Expenses. Notwithstanding anything in this Declaration to the contrary, the Association is prohibited from exercising the powers granted to it by this section 4.2 in any manner that would, in the reasonable opinion of the Developer, be directly or indirectly detrimental to the sales, leasing, or marketing efforts of the (i) Developer or any of its agents regarding Units or other properties within the RV Resort; or, (ii) Owners of any Resort Operation Unit or any of its agents regarding the Resort Operation Units.

4.3 Developer Easements. Except as limited below, the Developer reserves to itself, for so long as it owns any interest in any Unit, or other property located adjacent to the RV Resort Property, the following easements over the RV Resort Property and rights to grant easements regarding the RV Resort Property without obtaining the consent of the Owners or the Association, as permitted by Section 35-8A-216, *Alabama Code*:

(a) Marketing and Sales. In accordance with Section 35-8A-215, *Alabama Code*, the Developer reserves for itself and its agents exclusive easement rights over and across the RV Resort Property for the purpose of marketing, sales, resales, and rental of Resort Units, Resort Operation Units, accommodations at other projects, or any other hospitality, realty, or consumer products, and for the purpose of leasing any accommodations that are not part of the RV Resort. Such rights may include the right to establish models; permit parking on the RV Resort Property; conduct property tours; conduct sales presentations; conduct closings; and to erect, post, maintain, and relocate signs, notices, advertisements, and other promotional information on the RV Resort Property. Lessees of Developer-owned non-declared units shall have, for the length of the term of their leases, the same easement rights over and across the RV Resort Property and use rights to the recreational areas and facilities of the RV Resort as are reserved for Owners of declared Units.

(b) Governmental Requirements. The Developer reserves the right to grant such easements, from time to time, over and across the RV Resort Property as may be required by any government agency. These easements specifically include any environmental easements required by local, state or federal environmental agencies, for so long as the Developer owns any Unit.

(c) Developer Easements. The Developer reserves easement rights and the right to grant easement rights over and across the RV Resort Property, including the Shared Facilities, as it may deem necessary for its use or the use of any designee of the Developer from time to time, including (i) an easement over the any rooftops to place antennae, satellite dishes, or other equipment and to service, maintain, replace, or relocate such items; and (ii) easement rights to provide concessions (including vending machines, ATM machines, and newspaper machines) or other profitable ventures for the benefit of the Developer; and (iii) the right to grant reasonable easements for access, ingress, egress over the RV Resort Property to property adjacent to the RV Resort. The Developer reserves an easement over and across the RV Resort Property to perform maintenance on any easement space or area reserved for the benefit of the Developer. The Developer shall have the rights under this subsection for so long as the Developer holds Units for lease or sale in the ordinary course of business.

(d) Construction Easements. The Developer reserves easement rights over, under, and across the RV Resort Property as is necessary, from time to time, for the purpose of constructing or converting improvements on the RV Resort Property, or properties located adjacent to the RV Resort Property.

(e) Easements in Resort Operation Units. In any amendment to this Declaration, the Developer shall have the right, without the consent of the Owners or the Association, to provide for non-exclusive easements for ingress and egress through and/or use of any Resort Operation Unit(s) or any portion of such Resort Operation Units in favor of the Owners. Under such circumstances, the Developer shall also have the right to provide in such easement that a reasonably allocated portion of the cost of maintenance, upkeep and repair of such Resort Operation Unit(s) or portion of Resort Operation Unit(s) shall be assessed to the Owners as a Common Expense. Refer to Article XX for additional easement rights appurtenant to the Resort Operation Units.

4.4 Shared Facilities Easement. The RV Resort Property has been developed and structured by the Developer in such a manner to minimize the Common Elements. Most components which are typical "common elements" of a development of this nature have instead been designated in this Declaration and in Exhibit "A" Shared Facilities of Resort Operation Unit(s), as designated as in Shared Facilities Easement. Pursuant to the Shared Facilities Easement, Resort Unit Owners are granted access to and use of these Shared Facilities so long as the Resort Owners pay a pro rata portion of the Shared Facilities Costs, as defined in the Shared Facilities Easement.

4.5 Other Easements. Other easements may have been granted over the RV Resort Property as set forth in the survey contained in Exhibit "A" attached to this Declaration.

V. UNITS, COMMON ELEMENTS, LIMITED COMMON ELEMENTS, AND ASSOCIATION PROPERTY

5.1 Units.

(a) Description. Each Unit includes that part of the RV Resort Property containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

(i) Perimeter Boundaries. The perimeter boundaries of the Unit are the imaginary vertical planes beginning at surface level of the land comprising the RV Resort Property, along and coincident to the horizontal boundaries of each Unit, as depicted on Exhibit "A" attached to this Declaration.

(ii) Upper and Lower Boundaries. The lower boundary of the Unit runs along the surface level of the land comprising the Unit, and the upper boundary runs parallel to the surface level of the land comprising the Unit, forty (40) feet above the lowest point contained on the surface level of the land of comprising the Unit.

(iii) Resort Operation Units. In addition to the above, Resort Operation Unit(s) shall include all Shared Facilities which are defined in the Shared Facilities Easement, and those other areas which may be more particularly set forth in Exhibit "A".

(iv) Effect of Exhibit "A". In any case of conflict or ambiguity between the provisions of this Subsection and the survey, floor, and plot plans of the Units and the Common Elements set forth in Exhibit "A," the contents of Exhibit "A" shall control. All items not otherwise specifically designated as a Resort Unit, Resort Operation Unit, Limited Common Element or Common Element are Shared Facilities and shall be deemed part of a Resort Operation Unit.

(b) Material Alteration or Modification. Notwithstanding the maintenance and repair responsibilities of the Owners set forth in section 7.1, improvements, alterations and modifications to any Unit may not change the appearance of the exterior appearance of Unit or any other portion of the RV Resort unless approved

by the Association upon a vote of the Owners in accordance with section 9.7. The restrictions contained in this subsection (b) do not apply to any Resort Operation Unit.

5.2 Common Elements. The RV Resort has been established in such a manner as to minimize the Common Elements, most components that are typically Common Elements of a condominium have instead been designated as Shared Facilities.

(a) Description. In addition to those items defined in Alabama Uniform Condominium Act and elsewhere in this Declaration as Common Elements, Common Elements include:

(i) Except for those portions of the RV Resort Property designated as part of Resort Operation Units (including all Shared Facilities which are part of Resort Operation Units), the foundations, public utility lines located on RV Resort Property, and, except as excluded in this section, pipes, wires or conduits located within slabs or elsewhere in the RV Resort Property.

(ii) Except for those portions of the RV Resort Property designated as part of Resort Operation Units on Exhibit "A", all roads, walkways, paths, trees, shrubs, yards (except such as are designated as Limited Common Elements), gardens, planter areas, and so forth, located within the RV Resort Property.

(iii) Except for those portions of the RV Resort Property designated as part of Resort Operation Units on Exhibit "A", any fire equipment rooms, sprinkler systems, and areas occupying same located within the RV Resort Property.

(iv) All areas not designated or described as lying within the boundary of a Unit or otherwise excluded by definition, and all other components of the RV Resort Property constructed or to be constructed on the RV Resort Property, rationally intended for common use or necessary to the existence, upkeep and safety of the RV Resort Property, and which are not Shared Facilities.

(b) Material Alteration or Modification. Notwithstanding the maintenance and repair responsibilities of the Association set forth in section 7.1, material alterations, substantial additions, and modifications to the Common Elements may be made by the Association upon a vote of the Owners in accordance with section 9.7; provided, however, that for so long as the Developer holds any Unit for sale in the ordinary course of business, no material alterations or modifications to the Common Elements may be made without the prior consent of the Developer. If a material alteration or substantial addition to the Common Elements is required by any governmental entity, such material alteration or substantial addition to the Common Elements will be permitted with the affirmative vote of the Board in accordance with section 9.7, and with the approval of the Developer for so long as the Developer holds any Unit for sale in the ordinary course of business.

(c) Leases. The Board has the power, in its discretion and without the approval of the Owners, to lease the Common Elements, with the approval of the Developer for so long as Developer holds any Unit for sale in the ordinary course of business. The Board does not have the power to charge a use fee to the Owners for the use of Common Elements unless such charges are approved by the Developer, for so long as Developer holds any Unit for sale in the ordinary course of business.

5.3 Limited Common Elements.

(a) Description of Limited Common Elements Appurtenant to Resort Units. Those Common Elements reserved for the use of a certain Resort Unit or Resort Operation Units, to the exclusion of other Units, are designated as Limited Common Elements. Limited Common Elements include those items designated in this Declaration or on Exhibit "A." to be Limited Common Elements, including air conditioning, and any other areas shown on Exhibit "A" to be Limited Common Elements. No Limited Common Element appurtenant to a Resort Unit may be separately conveyed from the Resort Unit to which it is appurtenant. The provisions of this subsection do not apply to Limited Common Elements appurtenant to Resort Operation Units.

(b) Description of Limited Common Elements Appurtenant to Resort Operation Units. Those Common Elements reserved for the use of a certain Resort Operation Unit or Resort Operation Units, to the exclusion of other Units, are designated as Limited Common Elements. Limited Common Elements include HVAC and air conditioning units, and any other items designated in this Declaration or on Exhibit "A".

(c) Material Alteration or Modification. Notwithstanding the maintenance and repair responsibilities of the Association set forth in section 7.1, material alterations, substantial additions, and modifications to the Limited Common Elements may be made by the Association upon a vote of the Owners in accordance with section 9.7; provided, however, that for so long as the Developer holds any Unit for sale in the ordinary course of business, no material alterations or modifications to the Common Elements may be made without the prior consent of the Developer. If a material alteration or substantial addition to the Limited Common Elements is required by any governmental entity, such material alteration or substantial addition to the Common Elements will be permitted with the affirmative vote of the Board in accordance with section 9.7, and with the approval of the Developer for so long as the Developer holds any Unit for sale in the ordinary course of business.

5.4 Association Property.

(a) Description. Association Property includes all personal property related to the operation of the RV Resort that is owned or leased by the Association. Association Property does not include any private, personal or intellectual property belonging to a Management Company or any hotel or hospitality franchisor related to its operation of the RV Resort, including Management Company's or any hotel or hospitality franchisor's trade name and the trade names of Management Company's or any hotel or hospitality franchisor's affiliates or subsidiaries.

(b) Power to Deal with Association Property; Material Alteration or Modification. The Board has the power to deal with the Association Property and to buy, sell, lease or make material alterations or modifications to the Association Property without the consent of the Owners; provided, however, that for so long as the Developer holds any Unit for sale in the ordinary course of business, any such action requires the prior consent of the Developer. The Board does not have the power to charge a use fee to the Owners for the use of Association Property unless such charges are approved by Developer, for so long as Developer holds any Unit for sale in the ordinary course of business. The Association may not acquire real property other than real property conveyed to it by the Developer (if any) without a vote of the Association in accordance with section 9.7.

5.5 Warranty Limitation.

The only warranties applicable to purchasers of Units are those that may validly be imposed by Section 35-8A-413, Alabama Code ("Sole Warranties"). Developer makes no other express or implied warranties whatsoever in regard to the Unit, the Common Elements, any fixtures or items of personal property, or any other real or personal property whatsoever sold by Developer.

DEVELOPER MAKES THE SOLE WARRANTIES EXPRESSLY IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES CONCERNING THE UNIT SOLD OR PREVIOUSLY PURCHASED FROM DEVELOPER, AND ANY OTHER REPRESENTATIONS, STATEMENTS OR PROMISES MADE BY ANY PERSON ARE UNAUTHORIZED AND ARE NOT BINDING UPON DEVELOPER. ALL OTHER WARRANTIES WITH RESPECT TO THE UNIT ARE HEREBY DISCLAIMED, TO THE EXTENT PERMITTED BY LAW, WHETHER IMPLIED OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM AND PRACTICE, OR OTHERWISE, INCLUDING ANY WARRANTIES OF HABITABILITY, MERCHANTABILITY, AND FITNESS FOR PARTICULAR PURPOSE.

VI. APPURTENANCES

6.1 Appurtenant Interests. Each Unit has as an appurtenance that undivided share of the Common Elements and Common Surplus as more specifically described in Exhibit "D" attached to and incorporated in this Declaration. The Owner of each RV Resort Unit shall be liable for that share of the Common Expenses which equals the percentage interest in the Common Elements and Common Surplus appurtenant to the Owner's Unit. Each Unit's share of the Common Expenses and Common Surplus and each Unit's undivided interest in the Common Elements of the RV Resort shall be calculated as more specifically set forth in Exhibit "D."

6.2 No Partition of Common Elements. No Owner or any other person may bring, or have any right to bring, any action for partition or division of the share of the undivided percentage interest in the Common Elements appurtenant to each Unit.

6.3 No Partition of RV Resort Units. No Owner or any other person may bring, or have any right to bring, any action for partition or division of a RV Resort Unit or any appurtenance to a Unit.

VII. MAINTENANCE

7.1 Responsibility. Responsibility for the maintenance of the RV Resort Property is as follows:

(a) By the Association. Except as set forth in subsection (b), the Association must operate, maintain, repair, renovate, and replace at the Association's expense, and all in accordance with the Resort Standard, as defined in the Shared Facilities Easement:

(i) All Common Elements, Limited Common Elements (except certain Limited Common Elements appurtenant to certain Resort Operation Units as provided in this Declaration) and Association Property, except as otherwise provided in the RV Resort Documents.

(ii) All conduits, ducts, plumbing, wiring, air conditioning units, and other facilities for the furnishing of Utility Services, except to the extent they constitute Shared Facilities.

Subject to Article V, the Board has the right, in its discretion and without the approval of any Owner, to modify, maintain, repair, alter, rearrange, improve, renovate, remove, or replace any or all of the Common Elements or Association Property from time to time. The Common Expenses attributable to the Limited Common Elements will be shared by the Owners as more specifically set forth in Exhibit "D."

(b) By the Owner. The responsibilities of each Owner for maintenance, repair, and replacement are as follows, all in accordance with the Resort Standard, as defined in the Shared Facilities Easement:

(i) To perform all maintenance, repairs and replacements of, in or to his or her Unit, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen, including maintenance, repair and replacement of the electrical (including wiring), plumbing (including fixtures and connections), fixtures and outlets, appliances, and other floor coverings, any patios or gazebos, and the entire face of the Unit lying within the boundaries of the Unit, of all personal property and fixtures located within the Unit, and of any other property belonging to the Owner. All of the foregoing will be performed by the Owner at the Owner's sole cost and expense, except as otherwise expressly provided to the contrary in this Declaration. In addition, the Owner of a Resort Operation Unit is responsible for maintaining the Limited Common Elements appurtenant to his Unit, if any.

(ii) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

(iii) To bear in their entirety any expenses of repairs or replacements to the RV Resort Property occasioned by the specific use or abuse by the Owner or any Guest of the Owner.

(iv) To do nothing within or outside his or her Unit that interferes with or impairs, or may interfere with or impair, the provision of Utility Services, security systems, or other service or drainage facilities or the use of these easements.

7.2 Management Agreement. As set forth in section 9.9, the Association may enter into management agreements from time to time to engage the services of a management firm to carry out all or part of the maintenance and operational duties and obligations of the Association in accordance with this Declaration, except as prohibited by Alabama Uniform Condominium Act. If a management agreement is terminated, the maintenance duties and other obligations of the RV Resort will be the exclusive responsibility of the Board until such time as a new management firm is retained.

7.3 Standard of Operation. The Association acknowledges that the initial Management Company has the right to use the Marks. For as long as the Management Agreement remains in effect with Management Company, the RV Resort Property will be designated as Bella Terra Gulf Shores RV Resort or similar name, and, subject to this section and section 7.4, Management Company agrees to operate, manage and maintain the RV Resort Property as Bella Terra Gulf Shores RV Resort Condominium, or similar name, in accordance with the requirements of the Resort Standard, as defined in the Shared Facilities Easement. Further, Association acknowledges that any right or license to use the Marks does not belong to Association and is not part of the RV Resort Property. Neither Association nor the Owners have any right, title, or interest in the Marks, and neither Association nor the Owners are third party beneficiaries thereof, intended or otherwise. During the term of this Management Agreement, Management Company shall manage, operate and maintain the RV Resort Property: (i) in conformity with the Resort Standard (ii) according to the requirements imposed by Developer with respect to the use of the Marks; and (iii) in a businesslike and efficient manner.

7.4 Assessments to Support Maintenance of the Standard. Management Company's ability to operate the RV Resort Property in accordance with the Resort Standard is in large part dependent on the annual approval by Association of an Estimated Budget which is adequate both in terms of operating and reserve assessments to support such efforts by Management Company. In this regard, Management Company shall take such factors into account in the preparation of its annual Estimated Budget recommendations for the Board. The Association may be requested by Management Company on occasion to approve a special assessment against the Owners with respect to an item of operating expense in order for the RV Resort Property to continue to conform with the Resort Standard and requirements of Developer related to the use of the Marks, which item of operating expense is so immediate in nature that a delay in assessment of same until the next Association fiscal year is not practicable. Failure by Association to approve either an Estimated Budget recommendation or a requested special assessment in this regard may result in termination of the Management Agreement by Management Company and/or loss of the Marks in connection with the RV Resort Property as more specifically addressed in the Management Agreement. Association acknowledges that the Management Company's right to use the Marks, is subject to termination, among other things, for failure to operate the RV Resort Property in accordance with the Standard and for a variety of customary business grounds, including Association's bankruptcy or insolvency, liability for a large adverse court judgment, failure to properly identify the RV Resort, improper use of the Marks, or dissolution or liquidation of the Association.

7.5 Association's Access to Units. The Association and Management Company have the irrevocable right of access to each Unit during reasonable business hours when necessary for: (i) inspecting, maintaining, repairing, replacing, or operating the Common Elements or any portion of a Unit maintained by the Association; and (ii) making emergency repairs to prevent damage to the Common Elements or to another Unit; (iii) upon reasonable notice to the Unit's Owner and current occupant.

VIII. ASSESSMENTS AND COMMON EXPENSES

8.1 Assessments.

(a) Common Expenses. Common Expenses include the following:

(i) Expenses of administration and management of the RV Resort Property, Association Property, and of the Association, including compensation paid by the Association to the Management Company, accountant, attorney, or other employee or independent contractor.

(ii) Expenses of maintenance, operation, repair, and replacement of the Common Elements, as determined by the Board from time to time, as well as all other costs and expenses properly incurred by the Association.

(iii) Expenses declared Common Expenses by the provisions of the RV Resort Documents or Alabama Uniform Condominium Act.

(iv) Any valid charge against the RV Resort Property as a whole.

(v) All costs and expenses incurred by the Association in connection with regulatory compliance.

(vi) All reserves for replacement and maintenance of the RV Resort Property as required by Alabama Uniform Condominium Act or as deemed necessary or desirable by the Board or the Association.

(vii) Casualty, flood and wind, liability insurance or other insurance covering the Common Elements and Limited Common Elements, Association Property, or the Association, its members, officers, and directors, including the cost of paying any premiums and deductibles.

(viii) The costs of a master antenna television system or duly franchised cable television service obtained pursuant to a bulk contract.

(ix) Any other expenses incurred in the normal operation and maintenance of the Units, Common Elements, Limited Common Elements, and Association Property that cannot be attributed to a particular Owner or group of Owners.

(x) Any and all costs, charges, fees, payments, expenses and expense reimbursements required by the Shared Facilities Easement, including, without limitation, all Shared Facilities Costs allocated to Owners or the Association.

(xi) The costs of any fidelity insurance coverage that is carried in the name of the Association for all officers, directors and employees of the Association and all other persons handling or responsible for funds of the Association.

(xii) The costs of the operation, maintenance and replacement of any surface water management system facilities.

(b) Assessments for Common Expenses. Owners of Units are responsible for Common Expenses in the proportions set forth in Exhibit "D." Assessments will be billed to an Owner on a monthly basis. The mailing and collection of assessments against each Owner for Common Expenses, for any costs or expenses for which an individual Owner may be solely responsible pursuant to the RV Resort Documents, and for reserves as may from time to time be established by the Association, will be accomplished pursuant to the Bylaws and the Management Agreement, subject to the following provisions:

(i) Interest; Application of Payments. Assessments and installments on assessments paid on or before ten (10) days after the date when due will not bear interest, but all sums not paid on or before ten (10) days after the date when due will bear interest at the highest rate permitted by law from the date when due until paid. In addition, the Association may charge an administrative late fee for each delinquent installment in the amount of the greater of twenty-five dollars (\$25.00) or five percent (5%) of each delinquent installment. The Association may use the services of a collection agency for collection of delinquent accounts and to charge and impose a lien against the delinquent Owner for such costs in accordance with Alabama Uniform Condominium Act and the RV Resort Documents. All payments will be first applied to interest, administrative late fees, costs and reasonable attorneys' fees incurred in collection (including any incurred in all bankruptcy and probate proceedings), and then to the assessment payment first due. The Board has the discretion to increase or decrease the amount of the administrative late fee or interest rate within the limits imposed by law; provided, however, that the increase or decrease must be made effective by amending the RV Resort Rules and Regulations and notifying the Owners of same by regular mail addressed to each Owner at the last known address of each Owner as set forth in the Association's books and records. Notwithstanding any provision of this paragraph to the contrary, the Board has the power to waive any late fees or interest that accrue as a result of delinquent payment.

(ii) Lien for Assessments. The Association will have a lien against each RV Resort Unit for any unpaid assessments and for interest, which lien will also secure any late charges, reasonable attorneys' fees and costs incurred by the Association incident to the collection of the assessment or enforcement of such lien (including those incurred in all bankruptcy and probate proceedings), whether or not legal proceedings are initiated. The lien is effective from and after recording a claim of lien with the Judge of Probate of Baldwin County, Alabama, stating the legal description of the Unit, the name of the Owner of record, the name and address of the Association, the amounts claimed to be due, and the due dates. The lien will continue in effect until all sums secured by the lien are fully paid or until such time as is otherwise permitted by law. Claims of lien must be signed and verified by an officer of the Association, or by an authorized agent of the Association. On receipt of full payment, the party making payment is entitled to a recordable satisfaction of lien, to be prepared and recorded at such party's expense. All such liens may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property, or as otherwise provided by applicable law. The Association may also sue to recover a money judgment for unpaid assessments without waiving any claim of lien.

A lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the recordation of the declaration, (ii) a first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent, and (iii) liens for real estate taxes and other governmental assessments or charges against the unit, in accordance with Section 35-8A-316(b), *Alabama Code*. The lien is also prior to the mortgages and deeds of trust described in clause (ii) above 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 institution of an action to enforce the lien.

Any share of the Common Expenses or assessments chargeable against any such foreclosed RV Resort Unit or against any RV Resort Unit transferred in lieu of foreclosure remaining unpaid after the application of this subsection will be deemed a Common Expense to be paid in the same manner as other Common Expenses by all of the Owners.

Nothing in this Declaration may be construed as a modification of any rights or remedies of the Association pursuant to Alabama Uniform Condominium Act, except to the extent that the RV Resort Documents allow additional remedies, to the extent that such additional remedies are permitted by law, and except as to Mortgagees as provided above.

(iii) Personal Liability for Unpaid Assessments. Each Owner and any successor in title or interest to such Owner is personally liable for all assessments made against the Unit pursuant to this Declaration or Alabama Uniform Condominium Act, and the Association may bring an action for a money judgment against a delinquent Owner or successor in title or interest to such Owner to collect all sums due the Association, including interest, late charges, costs, collection fees and reasonable attorneys' fees, including those incurred in all bankruptcy and probate proceedings. If a Unit is owned by more than one person or entity, such Owners will be jointly and severally liable for all assessments made against their respective Unit. The liability for assessments may

not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made. Any person acquiring title must pay any delinquent amounts owed to the Association within 30 days after transfer of title.

(iv) Payments of Assessments. No Owner may withhold payment of any regular or special assessment, or any portion of such regular or special assessment, because of any dispute which may exist between that Owner and the Association, the Board, the Management Company, or the Developer, or among any of them, but rather each Owner must pay all assessments when due pending resolution of any dispute. Except as required by applicable law, including Alabama Uniform Condominium Act, there shall be no requirement of presentment, notice, or demand.

(c) Specific Charges. The Board shall have the power to levy a specific charge against a particular Unit or Units constituting less than all Units, to cover the costs, including reasonable overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include maid service, linen service, handyman service, pest control, security service, courier service, etc.), which charges may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner.

8.2 Common Surplus. Each Owner owns a share of any Common Surplus attributable to each Unit owned in accordance with section 6.1.

8.3 Refunds of Common Surplus. Refunds of all or a portion of any Common Surplus to the Owners shall be in proportionate shares. Such a refund shall only be made upon a determination by the Board that the refund is both appropriate and desirable.

8.4 Certificate. An Owner may require from the Association a certificate showing the amount of unpaid assessments against that Owner with respect to that Owner's RV Resort Unit. The holder of a mortgage or other lien has the same right to require a certificate as to any RV Resort Unit on which it has a lien.

8.5 Fines. For each violation of any of the RV Resort Documents, the Board may levy against the offending Owner a sum of up to five hundred dollars (\$500.00) per violation or such higher amount as may be then allowed by applicable law. This remedy is in addition to, and not in lieu of, the remedies provided in the RV Resort Documents or applicable law. An Owner against whom a fine is sought to be levied will be afforded an opportunity for hearing in accordance with Alabama law, as required by Alabama law.

IX. THE ASSOCIATION

The powers of the Association include those set forth in the Articles of Incorporation and the Bylaws, as amended from time to time, Alabama Uniform Condominium Act, and those powers which a corporation not for profit in the state of Alabama may exercise. In addition, the Association will operate the RV Resort and will fulfill its functions pursuant to the following provisions:

9.1 Membership in Association. Membership of each Owner in the Association is appurtenant to each Unit. Each Resort Unit and each Resort Operation Unit will have appurtenant to it, one (1) vote in the Association. Where a Unit is owned by more than one Owner, the co-tenants of the Unit must file a voting certificate with the Association, in accordance with the Articles of Incorporation and the Bylaws, setting forth which co-tenant is designated to cast the vote for that Unit.

9.2 Articles of Incorporation. A copy of the initial Articles of Incorporation is attached as Exhibit "B" and incorporated in this Declaration. B
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9.3 Bylaws. A copy of the initial Bylaws is attached as Exhibit "C" and incorporated in this Declaration. C
g

9.4 Limitation On Liability of Association. Notwithstanding the duty of the Association to maintain and repair portions of the RV Resort Property, the Association is not liable to Owners or Guests for injury or damage, other than for the cost of maintenance and repair caused by any patent or latent condition of the property to be maintained and repaired by the Association or caused by the elements, the Association, the Association's maintenance or lack thereof, or other Owners or persons. Further, the Association is not liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Owners regardless of whether or not the same have been approved by the Association pursuant to this Declaration.

9.5 Restraint on Assignment of Shares and Assets. Each Owner's share in the funds and assets of the Association cannot and may not be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Owner's Unit.

9.6 Transfer of Control of Association. Owners other than the Developer are entitled to elect members of the Board at such times as are prescribed by this section and Section 35-8A-303, *Alabama Code*. The Developer will designate the initial members of the Board. The Developer will continue to designate from time to time all Developer positions on the Board until such time as the Developer is no longer entitled to elect or designate a director in accordance with Section 35-8A-303, *Alabama Code*; provided, however, that nothing in this Declaration may be construed to preclude the Developer from relinquishing control of the Board at any earlier time that Developer may so elect. In accordance with Section 35-8A-207(c), *Alabama Code*, the Owners of Resort Units will be entitled to elect three (3) members of the Board and the Owners of Resort Operation Units will be entitled to elect two (2) members of the Board. Only the Resort Unit Owners shall vote for the seats that may be elected by the Resort Unit Owners, and only the Resort Operation Unit Owners shall vote for the seats that may be elected by the Resort Operations Unit Owners. In the event that Developer voluntarily surrenders the right to appoint and remove officers and members of the board before termination of that period, 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. In accordance with Section 35-8A-303, *Alabama Code*, unless applicable law is subsequently amended to permit a longer period of control of the Board by the Developer (in which case such applicable law will govern at the option of the Developer and the Developer may amend this Declaration to provide for such longer period):

(a) The Developer may continue to designate from time to time all Developer positions on the Board until the earliest of the following ("Termination of Developer Control Event"):

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Resort Unit Owners other than Declarant;

(ii) Two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business; or

(iii) Two (2) years after any development right to add new units was last exercised.

(b) Alabama law requires the following:

(i) Not later than ninety (90) days after conveyance of twenty-five (25%) of the Units which may be created to unit owners other than the Developer, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Resort Unit Owners other than the Developer.

(ii) Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Resort Unit Owners other than the Developer, not less than thirty-three and one-third percent (33 1/3%) percent of the members of the Board must be elected by Resort Unit Owners other than the Developer.

To meet these requirements, at such time as Owners other than the Developer are entitled to elect not less than twenty-five percent (25%) of the members of the Board, the Owners of the Resort Units other than the Developer shall be entitled to elect two (2) of the three (3) directors allocated to the Resort Units as set forth in this section (which is forty (40) percent of the members of the Board).

(c) Upon a Termination of Developer Control Event, the Owners of Resort Units other than the Developer will be entitled to elect three (3) members of the Board and the Owners of Resort Operation Units will be entitled to elect two (2) members of the Board. The Board shall elect the officers. The board members and officers shall take office upon election.

(d) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Resort Unit Owners, by a two-thirds (2/3) vote of all persons present in person and entitled to vote at any meeting of the unit owners at which a quorum in person is present, may remove any member of the Board with or without cause, other than a member appointed by the Developer.

9.7 Acts of the Association. Unless the approval or action of a certain specific percentage of Owners or of the Board is specifically required in this Declaration, the Articles of Incorporation, or Bylaws, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association will be given or taken by a majority of the Board present and voting at a duly called and constituted meeting at which a quorum is present, without the consent of the Owners. The Board may also approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Owners is permitted to be given or taken under the RV Resort Documents or applicable law, unless specifically provided otherwise, all such approvals or actions required or permitted to be given or taken will be given or taken by a majority of the votes present and voting at a duly called and constituted meeting of the Association at which a quorum is present, including any votes attributable to Units owned by the Developer unless prohibited or restricted by law or by the RV Resort Documents.

9.8 Effect on Developer. So long as the Developer holds any Unit for sale in the ordinary course of business, none of the following actions may be taken by the Association without the prior approval of the Developer:

(a) Assessment of the Developer as an Owner for capital improvements;

(b) Any action that would be detrimental to the sales of Units by the Developer as determined by the Developer or the assignment of Limited Common Elements to Resort Operation Units by the Developer for consideration; provided, however, that an increase in assessments for Common Expenses without discrimination against the Developer will not be deemed to be detrimental to the sales of Units.

9.9 Management Agreement. The Association is authorized to contract for management of the RV Resort, and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the RV Resort Documents or applicable law to have approval of the Board or the members of the Association.

9.10 Association Powers On Merger; Operation of Other Condominiums. In the event this RV Resort is merged pursuant to Alabama Uniform Condominium Act and Article XXI with another separate and independent condominium to form a single condominium, the Association is expressly empowered to manage and operate the resulting single condominium as provided for in Alabama Uniform Condominium Act and this Declaration. The Association is also specifically empowered to manage, operate, and maintain any other separate and independent condominiums that the Board will elect to manage, operate, and maintain from time to time in accordance with Alabama Uniform Condominium Act, this Declaration, and the declaration of condominium of the other separate and independent condominium. If the Association manages, operates or maintains any independent condominium other than the RV Resort, the Association will maintain the books, records, accounts and funds of such other condominiums separate and apart from the books, records, accounts and funds of the RV Resort.

9.11 Title to Property. The Association has the power to acquire title to and hold, convey or mortgage Association Property.

9.12 Shared Facilities. The Association shall be the entity responsible for the operation of the Common Elements and the Association Property, but not the Shared Facilities, as the Shared Facilities are part of Resort Operation Unit(s).

X. INSURANCE

Notwithstanding obligations set forth below, in accordance with the Shared Facilities Easement, the Resort Operation Unit Owner is obligated to insure all Shared Facilities and name the Associations as an additional insured. Commencing not later than the time of the first conveyance of a Unit to an Owner other than the Developer, the Association shall maintain or shall cause the Management Company to maintain, insurance upon the RV Resort Property to the extent reasonably available, as required in Section 35-8A-313, *Alabama Code*.

Fidelity insurance coverage will be carried in the name of the Association for all officers, directors and employees of the Association and all other persons handling or responsible for funds of the Association. The total amount of fidelity bond coverage will be in at least the amount required for each such officer, director or employee by law.

XI. RECONSTRUCTION OR REPAIR AFTER CASUALTY

11.1 Determination to Reconstruct or Repair. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property as a result of fire or other casualty, the RV Resort shall be repaired or replaced unless:

(a) The condominium is terminated, in which case Section 35-8A-218, *Alabama Code* applies;

(b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

(c) Eighty percent (80%) of the Resort Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

If the entire RV Resort is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the condominium, (ii) except to the extent that other persons will be distributees under section 35-8A-205(a)(12)(ii), *Alabama Code*.

(i) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt must be distributed to the owners of those units and the owners of the units to which Limited Common Elements were allocated, or to lienholders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to all the Resort Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all the Units.

If the Resort Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under section 35-8A-107(a), *Alabama Code*, and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

11.2 Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by Resort Operation Unit Owner, provided, however, that if any reconstruction is undertaken, same shall be undertaken in such a manner to restore the Units to substantially the same condition they were in prior to the occurrence of the casualty.

11.3 Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Owners by the Association (which shall be deemed to be assessments made in accordance with, and secured by the lien rights contained in this Declaration) in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to the Insured Property shall be in proportion to all of the Owners' respective allocated interests.

11.4 Benefit of Mortgagees. Certain provisions in this Article XI are for the benefit of mortgagees of Units and may be enforced by any of them.

XII. USE RESTRICTIONS

The use of the RV Resort Property will be in accordance with the following provisions so long as the RV Resort exists:

12.1 Personal Resort Use Restriction. The use of the RV Resort Property shall at all times be in accordance with any and all applicable local zoning ordinances and state law requirements. Use of all Resort Units and the facilities of the RV Resort by Owners is limited solely to the personal Resort use of Owners and their Guests for residential uses by corporations and other entities owning such Units. Use of Resort Units or the facilities of the RV Resort by Owners for commercial purposes or any purposes other than the personal use described in this Declaration is expressly prohibited. "Commercial Purpose" includes, but is not limited to, use by an Owner that the Board, in its discretion, could reasonably conclude constitutes a commercial enterprise or practice; provided, however, that Commercial Purpose does not include rental of the Unit to a transient guest as permitted by this Section 12.1. Transient guests and rental is permitted on Lakefront, Pull-through, and Terrace Units; however, transient guests and rental is not permitted on Coach Estate Units, unless Coach Estate Unit Owners approve, by a majority vote, transient guests and rental on Coach Estate Units. The restrictions of this section do not apply to the Developer or to the Owners of Resort Operation Units.

THE RV RESORT HAS BEEN ESTABLISHED IN SUCH A MANNER AS TO MINIMIZE THE COMMON ELEMENTS, MOST COMPONENTS THAT ARE TYPICALLY COMMON ELEMENTS OF A CONDOMINIUM HAVE INSTEAD BEEN DESIGNATED AS PART OF THE SHARED FACILITIES.

12.2 Common Elements, Limited Common Elements, and Shared Facilities. The Common Elements, Limited Common Elements and Shared Facilities may be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of and use by the Owners, except as approved by the Board. The restrictions of this section do not apply to the Developer or the Owners of Resort Operation Units.

12.3 Nuisances. No nuisance will be allowed on the RV Resort Property, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the RV Resort Property by the Owners. All parts of the RV Resort will be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage will be allowed to accumulate nor any fire hazard allowed to exist. All Common Elements will be kept free for their intended use, and must in no event be used as storage areas, either on a temporary or permanent basis. No Owner may make or cause to be made any noises, or use musical instruments, radios, televisions, amplifiers, or other such equipment in a manner that may tend to disturb other Owners. No Owner may permit any use of the RV Resort Property that will increase the cost of insurance on the RV Resort Property. The restrictions in this section do not apply to (i) the Developer or the Owner of a Resort Operation Unit with respect to its ordinary operation of its commercial activities on the RV Resort or in Resort Operation Units; (ii) the Association or Management Company with respect to the ordinary operation, maintenance or management of the RV Resort

Property; or (iii) the hotel operation, if any, being conducted at the RV Resort Property. It is expressly contemplated that Resort Operation Units may be operated as commercial spaces containing stores, restaurants, ticket desk, entertainment areas, and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential accommodations; nothing contained in these use restrictions shall be deemed to prohibit such commercial activity for Resort Operation Units.

12.4 Lawful Use. No immoral, improper, offensive, or unlawful use may be made of the RV Resort Property, and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction must be observed. The party that is responsible for satisfying the requirements, directives, orders, and restrictions of governmental bodies for maintenance, modification, or repair of the RV Resort Property or a Unit will be the same party that is responsible for the maintenance and repair of the property concerned.

12.5 Signs. No sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the RV Resort Property, on the outside of a Recreational Vehicle, or in the window of any vehicle parking on the RV Resort Property without the prior written approval of the Board, except for those displayed by or on behalf of Developer or its designees in accordance with its rights under this Declaration. The restrictions of this section do not apply to the Developer or the Owners of Resort Operation Units.

12.6 Solicitation. No solicitation of any kind, whether commercial, religious, educational, or otherwise, may be conducted anywhere on the RV Resort Property unless specifically authorized in advance and in writing by the Board, except for the activity permitted to be performed by Developer or its designees in accordance with its rights under this Declaration. The restrictions of this section do not apply to the Developer or the Owners of Resort Operation Units.

12.7 Check-in. For security purposes, Owners must check in at the front desk located within Resort Operation Unit Number 1 to register with the Association or acting Management Company to the extent such management company is permitted utilization of the Resort Operation Unit Number 1 by the Owner of the Resort Operation Unit. Furthermore, any Owner who has leased or rented his Unit must (i) require the lessee to check in at the front desk located within a Resort Operation Unit to register with the Association or acting Management Company; and (ii) provide the name of the lessee to the Management Company at least twenty-four (24) hours prior to the lessee's check-in.

12.8 Parking and Storage. All boats, bicycles, equipment or other such similar items shall be kept as to conceal them from view of neighboring property and any roadways or streets. Two (2) licensed motor vehicles, in addition to the Recreational Vehicle, may be parked upon Resort Units. The restrictions of this section do not apply to the Developer or the Owners of Resort Operation Units.

12.9 Trash and Rubbish. Rubbish, trash and garbage shall not be burned nor allowed to accumulate on any Unit or on the RV Resort Property, and shall be stored in secure containers. An Owner shall be responsible for the disposal of all rubbish, trash, garbage, cigarette butts, barbecue ashes, or any other litter on Owner's Unit by disposing of it in the trash disposal receptacle area designated by the Board or placing it outside of their unit at trash pick-up times designated by Association or the Management Company.

12.10 Laundry Facilities. No clothes, sheets, blankets, laundry, or other such articles shall be hung out or exposed outside of any Recreational Vehicle. Outside clothes lines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any portion of the RV Resort Property. No washing machines or dryers shall be kept or maintained on any Unit.

12.11 Pets. An Owner may have common domestic pets. No horses, hogs, pigs, cattle, goats, sheep, snakes, or other reptiles, chickens or other fowl, or poultry shall be permitted. Pit bull dogs, Rotweilers, Doberman Pinschers, or other similar breeds which may, in the sole discretion of the Board, have the potential for vicious or dangerous behavior are prohibited. No pet may be kept, bred, or maintained for any commercial purpose whatsoever or become a nuisance or annoyance to other Owners. Numbers in excess of a total of two (2) household pets (other than aquarium-kept tropical fish) shall prima facie be considered unreasonable.

Notwithstanding the foregoing provisions of this section permitting common domestic pets, no reptiles, animals, birds or other pets may be kept, raised or maintained on the RV Resort Property under circumstances which, in the good faith judgment of the Board, constitute an unreasonable annoyance, nuisance, or safety hazard to Owners and their respective guests and invitees or an unreasonable interference with the comfortable and quiet use, occupancy and enjoyment of the RV Resort Property. In furtherance of the foregoing, no pet shall be permitted to make an unreasonable amount of noise, disturb the peace, or otherwise become an annoyance or nuisance. Owners must pick up all solid wastes of their pets and dispose of such wastes appropriately. All pets (including cats) must be leashed or carried by hand at all times when outside a Unit. No pet shall be left unattended outside of a Recreational Vehicle.

Service animals may accompany an disabled person without any proof of disability of certification for the service animal and without payment of any pet fee or other surcharge.

12.12 Antennas and Satellite Dishes. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind may be allowed on the RV Resort Property exceeding one (1) meter in diameter, unless otherwise approved in writing by the Board. Notwithstanding the restrictions contained in this section, the Owners of Resort Operation Units or upon roof of structures containing the Resort Operation Units, may place such antennas or satellite transmission receivers upon Resort Operation Units. No electrical or other equipment may be operated on the RV Resort Property which interferes with television signal reception, except for permitted equipment on the Resort Operation Units.

12.13 Campfires. Campfires may be burned only in designated fireplaces and barbecue pits where available. The Association or Management Company may prohibit or restrict campfires when hazardous fire conditions exist. Remember, campfires must be extinguished and "dead out" when leaving a campfire or barbecue area.

12.14 Propane Tanks. Only propane tanks utilized in connection with barbecue grills and other approved added elements associated with a Resort Unit, motor vehicles and Recreational Vehicles as attached by the manufacturer of the same shall be permitted on a Unit. The use and storage of propane tanks must be in compliance with applicable Rules and Regulations, applicable laws, rules and governmental regulations.

12.15 Waste Tanks. Self-contained vehicle waste storage tanks must have the outlet plugged, except when hooked up to a sewer connection or when unloading into a dump station.

12.16 Vegetation. Owners or Guest of such Owner may not cut the natural vegetation or in any way destroy the plant life surrounding any Unit or Common Element area.

12.17 Weapons. For the protection and safety of all individuals on the RV Resort Property, Owners or Guest of such Owner may not carry outside Owner's Recreational Vehicle or any other vehicle, any rifle, pistol, air gun, bow and arrow, slingshot, handgun, or other form of deadly weapon anywhere on the RV Resort Property.

12.18 Alteration or Damage. No Owner or Guest of such Owner may alter the Common Elements or the face of the Units except for permitted alterations made in accordance with this Declaration. No Owner or Guest of such Owner may deface, mar, or otherwise damage any part of the RV Resort Property. In the event of non-permitted alteration or damage, the Owner for itself or on behalf of any non-paying Guests of such Owner will be liable for the cost of restoration or repair. If a Unit or facility is rendered unusable due to the intentional or negligent act or omission of an Owner or Guests of such Owner, the Owner also will be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired. All Owners must maintain such Owner's Unit in accordance with the Resort Standard, as defined in the Shared Facilities Easement.

12.19 Decks, Patios and Awnings. A deck, patio or awning, whether uncovered or covered by a roof or semi-permanent cover and whether open-sided, not fully enclosed or partially enclosed, not attached to the Recreational Vehicle, may not be longer or higher than the Recreational Vehicle, and may not exceed eight (8) feet in width, unless approved by the Association.

12.20 Setbacks. Recreational Vehicles shall be located on Units in compliance with all governmental setback requirements and Rules and Regulations established by the Board. In no event is Recreational Vehicle or other structure to be located within three (3) feet of the rear of a Unit, ten (10) feet of the roadside boundary of a Unit, or two and one-half (2 ½) feet of any other side of a Unit.

12.21 Tents and other Structures. No tents, sheds, or other structures may be used at any time on the RV Resort Property, with the exception of any gazebos that are constructed by the Developer.

12.22 Minor Restrictions. Guests under age eighteen (18) must be accompanied by an adult while in residence at the RV Resort.

12.23 Outside Lighting. Except as may be installed by the Developer, no spotlights, floodlights or similar type high intensity lighting shall be placed or utilized upon any Unit which in any way allows light to be reflected on any other Unit, or any improvements thereon, or upon any Common Elements.

12.24 RV Resort Rules and Regulations. Reasonable rules and regulations concerning the use of RV Resort Property may be promulgated and amended from time to time by the Board in the manner provided by the Bylaws.

12.25 Developer's Use. The Developer may make such use of the RV Resort Property as may facilitate the sale or lease of Units or interests in other properties developed by the Developer or its affiliates, including showing of the property and the display of signs and other promotional devices.

12.26 Leases. Owners of Terraced, Pull Through, and Lakefront Units may enter into rental or lease agreements; however, Owners of Coach Estate Units are not permitted to enter into rental or lease agreements. The right of an Owner to lease or rent his Unit shall not be subject to the approval of the Association; however, any lease or rental arrangement will be deemed to be an acknowledgment and consent on the part of the lessee-sublessee-tenant to use, occupy and possess such Unit in conformance and compliance with the provisions of this Declaration, as well as the Articles of Incorporation, Bylaws, and the RV Resort Rules and Regulations. During any period that an Owner's Unit is leased or rented, the Owner does not have the right to use the Common Elements or Shared Facilities.

12.27 Improvements. Without limiting the generality of Article VII of this Declaration, but subject to any provision of this Declaration specifically permitting same, no Owner may cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, or windows of the RV Resort (including awnings, signs, storm shutters, screens, window tinting, furniture, fixtures and equipment), without the prior written consent of the Board. Notwithstanding the foregoing, any Owner may display one portable, removable United States flag in a respectful manner and, on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day, may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard. The restrictions of this section do not apply to the Developer or the Owners of Resort Operation Units.

12.28 Evacuation Orders. In the event an emergency evacuation order is made by the appropriate state, county or other governmental authorities, whether voluntary or mandatory, the Association may implement an emergency plan in order to protect all Owners, the RV Resort Property and the Association Property. The emergency plan will be communicated to Owners staying at the RV Resort when implemented and may require that Owners vacate the RV Resort Property and find safer alternate accommodations at Owners' sole expense. All Owners must adhere to the Association's emergency plan when implemented.

12.29 Timeshare Estates. The Developer reserves the right to create and offer for sale timeshare or fractional interest Units in this RV Resort. The minimum duration of the recurring periods of rights of occupancy that may be created with respect to any and all Units is a recurring right to one (1) week use for each timeshare or fractional interest in each Resort Unit for the duration of the RV Resort; however, the Developer reserves the right to create or allow the creation of larger fractional interests in each Resort Unit with a maximum size of one quarter interest in each Unit. If Developer exercises the rights described in this Section 12.29, the Developer reserves the

right to unilaterally amend the Declaration to provide for the implementation, creation, and operation of a fractional plan and the sale of fractional interests, which constitute timeshare estates under Alabama law. No Unit may be committed to any timeshare plan, exchange company, multisite club, membership club, non-equity club, or equity club by any person or entity other than the Developer without the Developer's prior written approval, in Developer's sole and absolute discretion.

TIMESHARE OR FRACTIONAL INTERESTS MAY BE CREATED WITH RESPECT TO RESORT UNITS IN THIS RV RESORT.

12.30 Relief by Board. The Board has the power (but not the obligation) to grant relief in appropriate circumstances from the provisions of specific restrictions contained in this Article XII or the RV Resort Rules and Regulations for good cause shown.

12.31 Windows of Recreational Vehicles No reflective materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be permitted on any Recreational Vehicle so as to be visible from outside the Recreational Vehicle. The restrictions imposed by this section do not apply to Resort Operation Units.

12.32 Smoking. Smoking is prohibited inside any Resort Operation Unit. Any violation of this section shall carry a fine levied by the Association at an amount pursuant to its discretion, and the Owner of any such Unit shall be subject to a damage fee levied by the Association at an amount equal to recoup the costs of the Association expended to replace filters, clean ventilation systems, floors, hallways, ceilings and for any other necessary remediation.

12.33 Dispute Over Resort Operation Unit(s). In the event of any doubt, conflict or dispute as to whether any portion of the RV Resort Property or Common Elements are or are not part of Resort Operation Unit(s) under this Declaration, Resort Operation Unit Owner may, without the consent of the Association or then existing Owners or mortgagees, record in the public records of Baldwin County, a Supplemental Declaration resolving such issue and such Supplemental Declaration shall be dispositive and binding.

12.34 Owners Only Clubhouse. Only Owners, and Owner's family and Guests, may utilize the facilities contained within the Owners Only Clubhouse. No lessees, renters, or other transient guests are permitted to enter the Owners Only Clubhouse or to utilize the facilities within.

12.35 Condition of Recreational Vehicle. All Recreational Vehicles on Resort Units must be in good working order and in attractive condition, so as not to detract from the RV Resort. In no event, shall any Recreational Vehicle older than fifteen (15) years, measured from January 1st of the current year, shall be permitted on a Resort Unit.

XIII. ALIENABILITY OF RV RESORT UNITS OR OWNERSHIP INTERESTS

13.1 Alienability Restrictions. The right of Owners to sell, transfer, assign, or mortgage their RV Resort Unit is not subject to the approval of the Association. Accordingly, a proper transfer or conveyance of the RV Resort Unit will not require the written approval of the Association. Notwithstanding the prior sentence, an Owner is required to notify the Association of the sale of his RV Resort Unit and to provide the Association with a copy of the recorded deed of conveyance into any new Owner. Rental of Units is governed by Article XII. In accordance with Section 35-8A-403(14) *Alabama Code*, this Declaration contains restrictions on transfer of use rights to Limited Common Elements.

13.2 Developer Right of First Refusal before Resale. Notwithstanding anything to the contrary in Section 13.1 above, before an Owner may resell that Owner's Resort Unit to a third party and for so long as the Developer holds Resort Units for sale at the RV Resort, an Owner is required to offer the Owner's Unit to Developer upon the same terms and conditions, including financing, as is offered by or to the third party. Accordingly, Owner must notify Developer in writing no less than 30 days in advance of the proposed closing date

of the Owner's intent to sell and must include a copy of the proposed transaction reduced to writing in all respects. Upon receipt of such written notice, Developer shall determine prior to the proposed closing date whether it wishes to exercise its right of first refusal. If Developer elects to exercise its right of first refusal, Developer shall notify Owner in writing of such election, and the purchase by Developer shall be closed on or before the proposed closing date. If Developer fails to notify Owner of its election to exercise its right of first refusal prior to the proposed closing date, Owner may proceed to close the transaction with the third party upon the original terms and conditions offered by or to the third party. Owner's right of first refusal is a covenant that runs with the land and shall always be a requirement binding on any successor in title to Owner.

XIV. RIGHTS OF DEVELOPER

Notwithstanding anything in this Declaration to the contrary, and in addition to any other rights which may be reserved to Developer in this Declaration, Developer has the following rights:

14.1 Alteration of Unit's Interior Design. Developer reserves the right to change the interior design and arrangement of any Resort Operation Unit so long as Developer owns the Unit changed and altered, and provided the change is reflected by an amendment to this Declaration. Such an amendment for the purpose of altering the interior design or arrangement of a Unit must be signed and acknowledged only by Developer and need not be approved by Owners or the Association, whether or not elsewhere required for an amendment, except that no change may be made by Developer which would conflict with Alabama Uniform Condominium Act and Article V.

14.2 Sharing of Recreational Facilities and Other Common Areas. The Developer also reserves the right to unilaterally amend this Declaration to provide for the sharing of the recreational facilities and other common areas of this RV Resort with the owners of accommodations on other properties, resorts, or condominiums located adjacent to or in proximity to this RV Resort, including the granting of any ingress and egress easements necessary to effectuate same; provided, however, that if this Declaration is so amended, the owners of interests in such other property, resort, or condominium will be required to share with the Owners any recreational facilities and common areas existing as a part of their property, resort, or condominium. In addition, the owners at each property, resort or condominium will bear their pro rata share of the costs of maintaining all such shared facilities and common areas.

XV. COMPLIANCE AND DEFAULT

15.1 Compliance and Default. Each Owner is governed by and must comply with the RV Resort Documents as they may be amended from time to time. Failure of an Owner to comply with the RV Resort Documents will entitle the Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of the RV Resort Documents, including an action for damages, an action for injunctive relief, or an action for declaratory judgment. All provisions of this Declaration are enforceable equitable servitudes that will run with the land and be effective until the RV Resort is terminated.

15.2 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of an Owner to comply with the RV Resort Documents as they may be amended from time to time, the prevailing party will be entitled to recover the costs of the proceeding, and recover such reasonable fees for attorneys, paralegals, and legal assistants as may be awarded by the Court, including all proceedings in bankruptcy and probate.

15.3 No Waiver of Rights. The failure of the Association or any Owner to enforce any covenant, restriction, or other provision of Alabama Uniform Condominium Act or the RV Resort Documents will not constitute a waiver of the enforcement right.

15.4 Injunctive Relief. The Association may seek an injunction from a court of equity to compel compliance with or prohibit violation of the RV Resort Documents regardless of whether an adequate remedy at law exists.

15.5 Choice of Law and Forum; Governing Law; Waiver of Jury Trial. The interpretation, application, enforcement, performance of, or any other matter related to, this Declaration will be governed by the laws of the State of Alabama. The Association, each Owner, the Developer, the Management Company, and any other party

claiming rights or obligations by, through, or under this Declaration, each waive any right it may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against the others concerning the interpretation, construction, validity, enforcement of, or performance under, this Declaration or any other agreement or instrument executed in connection with this Declaration. The Baldwin Courts will be the exclusive forum for any dispute, proceeding, suit or legal action concerning the interpretation, construction, validity, enforcement of, performance under, or related in any way to, this Declaration or any other agreement or instrument executed in connection with this Declaration. In the event any such suit or legal action is commenced by any party, the other parties agree, consent and submit to the personal jurisdiction of the Baldwin Courts with respect to such suit or legal action. Each party waives any and all rights under applicable law or in equity to object to jurisdiction or venue of the Baldwin Courts.

15.6 Mortgagee Notice of Owner Default. Each Mortgagee of record shall have the right upon written request to the Association to receive notice of any alleged default by in any obligations under the RV Resort Documents by any Owner on whose RV Resort Unit such Mortgagee holds a mortgage, which is not cured within thirty (30) days of notice of default to the Owner.

XVI. AMENDMENTS

16.1 By Owners. This Declaration may be amended at any regular or special Association meeting, called and convened in accordance with the provisions of the Bylaws, upon the affirmative vote of a two thirds (2/3) of the total voting interests in the RV Resort, unless a different vote is required by the specific provisions of this Declaration, in accordance with Section 35-8A-217, *Alabama Code*. Except to the extent expressly permitted or required by The Alabama Uniform Condominium Act no amendment in the absence of unanimous consent of the unit owners may: create or increase special Developer rights; create or increase the number or identity of units that may be disposed of on a time share basis; increase the number of units; change the boundaries of any Unit; the allocated interests of a Unit, or the uses to which any Unit is restricted. The amendment will become effective on the recording of the amendment with the Judge of Probate of Baldwin County, Alabama. No amendment which materially affects the rights and privileges of Developer, as determined by Developer in its sole discretion, will become effective unless and until approved, in writing, by the Developer for so long as the Developer owns any Unit. Furthermore, the Owners will have no power to enact any amendment to this Declaration which materially affects the rights of any Mortgagee of record, without first obtaining the written consent of such affected Mortgagee of record and provided further that such consent may not be unreasonably withheld. All amendments and material alterations and modifications described in this subsection shall be in accordance with the Resort Standard.

16.2 By Developer. Except as prohibited by *Alabama Code*, the Developer reserves the right to unilaterally amend this Declaration as it may deem appropriate in its sole discretion; as permitted in Section 18.7 of this Declaration; as may be required by any lending institution, title insurance company, or public body; as may be necessary to conform the Declaration to the requirements of law; to facilitate the operation and management of the RV Resort; to facilitate the sale of Units or interests in the Units. Any amendments to this Declaration that may be unilaterally made by Developer will become effective on the recording with the Judge of Probate of Baldwin County, Alabama, of an instrument executed solely by Developer, setting forth the text of such amendment in full, together with the appropriate recording data of this Declaration. No amendment of this Declaration permitted to be unilaterally made by Developer will be permitted if such amendment would prejudice or impair to any material extent the rights of the Owners as a whole or Mortgagees of record. The Developer may also make other amendments as may be reserved elsewhere in the RV Resort Documents. All amendments and material alterations and modifications described in this subsection shall be in accordance with the Resort Standard.

XVII. TERMINATION

In addition to the manner for termination of the RV Resort provided by Alabama Uniform Condominium Act, the RV Resort may be terminated if ninety percent (90%) of the voting interests and all of the holders of liens and mortgages affecting any of the RV Resort Units execute and duly record an instrument terminating the RV Resort, or if termination arises as set forth in this Declaration due to casualty or condemnation. In the event of such termination, all prohibitions against partition shall cease to be effective, and the RV Resort Property will be owned in common by the Owners in the respective undivided percentages as set forth in Exhibit "D."

XVIII. DESCRIPTION OF DEVELOPMENT

18.1 Description of Condominium. The RV Resort shall be submitted to this Declaration in two (2) phases. The current plans for the RV Resort at build-out includes a total of one hundred seventy six (176) Resort Units. Phase 1 of the RV Resort consists of a total of eighty-eight (88) Resort Units upon which Recreational Vehicles shall be parked, and one (1) Resort Operation Unit. The estimated date for completion of construction of Phase 1 is May 2008. Phase 1 of the RV Resort, and an outline of property contemplated to be proposed Phase 2 the RV Resort is described in the Survey, Floor and Plot Plans attached as Exhibit "A" to this Declaration. Proposed Phase 2 of the RV Resort will consist of approximately eighty-eight (88) Resort Units and one (1) Resort Operation Unit, but **Phase 2 and its contemplated amenities NEED NOT BE BUILT**. The estimated date for completion of construction of proposed Phase 2 is January, 2009. There will be four (4) types of Resort Units.

Most components that are typically "common elements" of a condominium have instead been designated as part of the Shared Facilities. Shared Facilities include such areas as the Grand Clubhouse, Owners Only Clubhouse, private bath houses, pools and pool deck, parking, all utility systems, and other areas, as further described in Section 2 of the Shared Facilities Easement. A Resort Unit Owner and Permitted User of a Unit in the RV Resort (as defined in the Shared Facilities Easement) will be entitled to use, access to and enjoyment of these Shared Facilities so long as that Owner pays that Owner's proportionate share of the Shared Facilities Costs in accordance with Section 7 of the Shared Facilities Easement.

18.2 Land. The land which the Developer currently contemplates may ultimately become part of the RV Resort is described in Exhibit "A."

18.3 Impact of Phasing; Change in Ownership of Common Elements and Common Surplus and Share of Common Expenses; Voting and Association Membership. The impact which the completion of subsequent phases would have on prior phases would be to increase the number of Units and the number of Owners. The Common Expense, Common Surplus, and Common Element ownership relocation caused by the addition of any phase is set forth in Exhibit "D" attached to and incorporated in this Declaration.

18.4 Recreational Areas or Facilities. The Developer reserves the right, but will have no obligation, to add recreational areas or facilities on the RV Resort Property as it determines in its sole discretion.

18.5 Authority to Redesignate Units. The numbering system of designating Units utilized in Exhibit "A" will be the permanent system for designating Units; provided, however, the Board has the right, in its sole discretion, to permanently alter such system of differentiating Units, including the use of numbers, letters, or combinations of letters and numbers. Changes in the system of designating Units will be made permanent upon the Board's recordation with the Judge of Probate of Baldwin County, Alabama, of a Notice of Revised Unit Designations which contains a survey, floor, and plot plans depicting the revised unit designations in a form that is similar to Exhibit "A." The deed for the first subsequent conveyance of a Unit should contain a reference to the change in the Unit designation system similar to the following: "Unit _____, formerly referred to as Unit _____." A similar process shall be followed with respect to any combined Resort Operation Units.

18.6 Subsequent Phases. The Developer may or may not submit all or a portion of the property described on Exhibit "A-2" to the condominium form of ownership at a future date or dates, as Phase 2 of the RV Resort. However, subject to the terms and provisions of this Declaration, said property or any portion thereof,

including any portion or portions of each phase, may be submitted to the condominium form of ownership and used in separate or different parcels at different times, by amendment or amendments to this Declaration. No assurances are made concerning whether or not any phase or portion thereof will be or will not be submitted to the condominium form of ownership and this Declaration or the Act, nor are any assurances made concerning the boundaries of the phase or portion thereof, or the number of units located in said phase or the number of phases, or the order in which any phase or portion thereof may be or may not be subject to the exercise of these development rights. Nothing in this section is to be interpreted as requiring the Developer to submit the property or any portion thereof, described on Exhibit "A-2", to the condominium form of ownership, or this RV Resort, or exercise any reserved development rights. Phase 2 "NEED NOT BE BUILT".

18.7 Incremental Phasing Amendment. Any additional Phase(s), created either by adding a portion of the property described on Exhibit "A-2" and the improvements located thereon, or by adding additional improvements to portions of the property described on Exhibit "A-1" which are already a part of the original RV Resort, or by exercising any other development right reserved by the Developer, may be added to, and made subject to, this Declaration by the execution, by the Developer, alone, of an incremental amendment to this Declaration, which amendment shall comply with the provisions of the Act and shall be effective upon recordation in the Office of the Judge of Probate, Baldwin County, Alabama. The right of the Developer to add additional Phases to the RV Resort shall cease and terminate twenty (20) years from the date of recordation of this Declaration.

18.8 Ownership Interest for Subsequent Phase Owners. The undivided share and the Common Elements, Common Expenses and Common Surplus appurtenant to each unit shall be calculated utilizing the formulas set forth on Exhibit "D", and more particularly described below.

18.9 Rights of Subsequent Phase Owners. If any lands included in Exhibit "A-2" are not added to the RV Resort, all or a portion of such lands may be developed as a residential development which is apart and separate from this RV Resort, whether as a condominium or non-condominium development. If any or all of such additional lands are added to the RV Resort, each unit owner in each Phase shall be a member of the Association and be entitled to vote in accordance herewith.

XIX. SEVERABILITY

The invalidity in whole or in part of any covenant or restriction, or any article, section, subsection, sentence, clause, phrase, word, or other provision of the RV Resort Documents will not affect the validity of the remaining portions.

XX. RESORT OPERATION UNITS

20.1 Rights of Resort Operation Unit Owners. Resort Operation Unit owners are entitled to all of the rights and benefits otherwise provided to Owners under this Declaration including the right to vote at any meeting of the Association as provided for in Article IX of this Declaration. Resort Operation Units shall share in the Common Expenses and the Common Surplus in accordance with Article VI of this Declaration. Notwithstanding the rights to conduct commercial activities in a Resort Operation Unit, each Resort Operation Unit Owner has the right, in its sole discretion, to not engage in any commercial activity.

20.2 Easement Rights. In addition to all appurtenances, easements, and other benefits passing with Units as provided in this Declaration, Resort Operation Units shall each have as an appurtenance thereto the following perpetual nonexclusive easements for the use and benefit of the Resort Operation Unit Owners, their successors and assigns, social guests, lessees, licensees and invitees:

(a) an easement for ingress and egress over all Common Elements of the RV Resort, as the same may exist from time to time, for such purposes as permitted by law, including such commercial activities that the Resort Operation Unit Owners may engage in from time to time;

(b) an easement for maintenance, repair, replacement, removal and relocation of any items necessary for use of the Resort Operation Units as permitted in this Declaration; and

(c) an easement for placing, maintaining, and repairing signage in those areas shown on Exhibit "A", if any.

20.3 Conveying Resort Operation Units to Association. The Developer may convey any Resort Operation Units, or any subdivision of such Resort Operation Units, to the Association without the consent of any other Owner or the Association, and the Association shall be obligated to accept such conveyance. A Resort Operation Unit conveyed to the Association as contemplated in this section may only be conveyed by the Association to a third party in accordance with the same restrictions which govern the conveyance by the Association of portions of the Common Elements.

20.4 Alteration of Interior Design and Arrangement of Units. As set forth in this Article XX, the Owner of a Resort Operation Unit may, in his or her sole discretion, aggregate the Resort Operation Units into a larger Resort Operation Unit, subdivide the Resort Operation Unit into smaller Resort Operation Units, sell or lease all or a portion of the Resort Operation Unit, or use the Resort Operation Unit for any lawful use that is not prohibited by Alabama law without the consent of any other Owners or the Association. The Owner of each Resort Operation Unit may make changes to the interior design and arrangement of the Resort Operation Unit or Limited Common Element appurtenant to the Owner's Resort Operation Unit without an amendment to this Declaration and without the approval of the Board or other Owners.

20.5 Alteration of Boundaries and Unit Dimensions. The Owner of a Resort Operation Unit reserves the right to alter the boundaries between Resort Operation Units, so long as such Owner owns the Resort Operation Units so altered, by increasing or decreasing the boundaries of Resort Operation Units by severing or combining Resort Operation Units, creating Limited Common Elements from Resort Operation Units for use as ingress and egress and by altering the boundaries of the Limited Common Elements, so long as the Owner owns the Resort Operation Units abutting the Limited Common Elements where the boundaries are being created or altered. No change contemplated by this section may be made without amending this Declaration; provided, however, that an amendment for such purpose need be signed and acknowledged only by the Board and the Owner(s) of the affected Resort Operation Units and approved by the holders of the Institutional Mortgages of Resort Operation Units affected, and such amendment shall not require the approval of other Owners, purchasers, or the Association. Although abutting Resort Operation Units may be physically combined, they shall nevertheless, for all other pertinent purposes including assessments, attribution of Common Elements, and voting, be deemed separate Resort Operation Units. Resort Operation Units and Limited Common Elements which have been or are combined may be severed into their components (separate Resort Operation Units and Limited Common Elements) at any time the Owner of the combined Resort Operation Units so desires; provided, however, that title to a Resort Operation Unit which has been combined with another Resort Operation Unit may not be conveyed separately from the Resort Operation Unit or Resort Operation Units with which it has been combined until all construction necessary to sever such Resort Operation Units (and Limited Common Elements) has been completed. Except for the Developer, no Owner may lease or convey a number of Resort Operation Units that would result in a "unit" that does not meet local zoning and land use restrictions. Modifications for the combining or severing of combined Resort Operation Units shall in any and all events be accomplished at the sole expense of the Resort Operation Unit Owner or Owners of the combined Resort Operation Units and not at the expense of the Association. Nothing in this Declaration shall be deemed to require the Owners or the Developer to approve any reconfiguration, alteration, or structural modification of Resort Operation Units or Limited Common Elements which involves the weakening, movement, or significant modification of any load bearing element. Furthermore, nothing in this Declaration shall be deemed to require the Owners or the Developer to approve any modification which will alter the exterior appearance of the building in which the Resort Operation Units are located.

20.6 Conveyance of Limited Common Elements Appurtenant to Resort Operation Units. The Owner of a Resort Operation Unit may assign any portion or number or all of the Limited Common Elements appurtenant to such Resort Operation Unit to another Owner. Any such assignment of rights of Limited Common Elements permitted by this section must be by a deed executed with the formalities of a deed conveying real property that (a) describes such Limited Common Element(s) by reference to a graphical depiction of the Limited Common Element(s) so assigned; (b) sets forth the Unit number of the Owner who is the grantor; (c) sets forth the Unit number of the Owner who is the grantee; (d) the form of which, is approved in writing in advance by the Board; and (e) is recorded with the Judge of Probate of Baldwin County, Alabama. A copy of the deed is required to be provided to the Board by the purchasing Owner, no later than ten (10) days after the conveyance.

20.7 Use of Resort Operation Units. All of the Resort Operation Units may be utilized for commercial operations as the owner of the Resort Operation Unit, in its sole discretion, deems appropriate, including use as bars, restaurants, lounges, fitness and spa facilities, conference room facilities, rental shops, and any other commercial, resort, club, or other facilities as operated by a Resort Operation Unit Owner.

20.8 Adverse Affects of Resort Operation Units. The RV Resort is a mixed use condominium and will contain both Resort Units and Resort Operation Units. By acceptance of title to or possession of their Units, all Owners understand and acknowledge that the Resort Operation Units may generate an unpredictable amount of visible, audible, and odorous impacts and disturbances from activities relating to the operation of businesses in the Resort Operation Units. The activities associated with the Resort Operation Units may include: (i) vehicular and residential traffic; (ii) commercial and retail operations; (iii) cooking, cleaning, and garbage and refuse collection associated with commercial operations; (iv) music and noise associated with commercial operations; and (v) after hours and weekend activities and entertainment (which hours may be extended in the sole discretion of Resort Operation Unit Owner(s)). Subject only to compliance with any applicable noise ordinance(s), any music or noise resulting from the operations of Resort Operation Units shall not be deemed a nuisance. In addition, the owners of Resort Operation Units have the right, in their sole discretion, to remove, relocate, discontinue operation of, or otherwise deal with their Units in their sole discretion without regard to any prior use of or benefit to any residents of the RV Resort. Purchaser acknowledges the RV Resort is located directly adjacent to or in the vicinity of other projects currently under construction or planned for construction; and, prior to the renovation or build-out of such developments and the renovation or build-out of the RV Resort, substantial construction-related activities are to be expected which may cause noise, dust and other attendant inconveniences. Purchaser further acknowledges that such adjacent development projects are to include commercial operations capable of causing noise, odors and other attendant inconveniences.

20.9 Rights of Access. The owner and operator of commercial operations in Resort Operation Units and their respective employees, agents, contractors, invitees, licensees, concessionaires, and designees shall at all times have a right and non-exclusive easement of access and use over all roadways located within the RV Resort Property to travel from and to the entrance within the RV Resort Property to and from the Resort Operation Units, and, further over those portions of the Common Elements and Limited Common Elements necessary for the use, operation, maintenance, repair, and replacement of the Resort Operation Units and the improvements located thereon, together with the easements as set forth in Article IV.

20.10 Applicability. The Developer and Resort Operation Unit Owner(s) shall have all enforcement powers afforded by this Declaration and at law to enforce this Article XX on behalf of Resort Operation Unit Owner(s). This shall not be deemed to limit the right of the Developer, the Association, or Resort Operation Unit Owner(s) to enforce any other rights which Resort Operation Unit Owner(s) may have under the terms and conditions of this Declaration, Articles, Bylaws, or rules and regulations of the Association.

20.11 Enforcement. Developer, Resort Operation Unit Owners, and the Association may enforce any of the provisions of this Article XX by injunction or other equitable remedy or by an action at law for damages or both, and the prevailing party shall be entitled to recover its attorneys' fees and expenses.

20.12 Amendments Affecting Resort Operation Unit Owners. **UNDER NO CIRCUMSTANCES MAY THIS DECLARATION OR ANY OF THE RV RESORT DOCUMENTS BE AMENDED IN A MANNER THAT NEGATIVELY DISCRIMINATES AGAINST OR NEGATIVELY IMPACTS ANY COMMERCIAL OPERATIONS CONDUCTED IN ANY RESORT OPERATION UNIT, INCLUDING ANY LIMITATION, RESTRAINT, RESTRICTION, OR CONSTRICTION ON (I) ACCESS BY RESORT OPERATION UNIT OWNERS OR THEIR GUESTS, INVITEES, OR LESSEES TO COMMON ELEMENTS, LIMITED COMMON ELEMENTS, SHARED FACILITIES OR UNITS; (II) THE SCOPE OF ACTIVITIES OR USES THAT CAN BE CONDUCTED IN RESORT OPERATION UNITS; OR (III) THE RIGHTS OF RESORT OPERATION UNIT OWNERS OR THEIR GUESTS, INVITEES, OR LESSEES. FURTHERMORE, THE PROVISIONS OF ARTICLE XX SHALL NOT BE AMENDED IN ANY MANNER AND NO NEW PROVISIONS MAY BE ADOPTED IMPACTING THE ITEMS CONTAINED IN THIS DECLARATION.**

XXI. MERGER

This Declaration, the Association, and the Common Elements may be merged with the declaration of condominium, condominium association, and common elements of another independent and separate condominium to form a single condominium with the approval of a majority of the total number of voting interests and with the approval of all of the record owners of liens on the Units. In the event the consent and approval is obtained, a new or amended declaration of condominium and articles of incorporation and bylaws of the Association will be recorded and will contain provisions necessary to amend and modify the appurtenances to the Units and the percentages by which the Owners share the Common Expenses and own the Common Surplus and Common Elements, in order to create a consolidated single condominium.

XXII. CONDEMNATION

22.1 Defending Condemnation Actions. The Association is hereby empowered to defend and/or settle any action or threatened action with respect to the taking in condemnation of any portion of the Common Elements or any Unit or portion of any Unit. If there is a taking in condemnation or by eminent domain of all or any portion of the RV Resort, each Owner will be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. In addition, all Mortgagees will be given timely notice of any such proceedings.

22.2 Total Taking by Condemnation. In the event of the taking of all of the real property and improvements of the RV Resort by condemnation, the RV Resort will terminate and all awards received by Owners will be deposited with the Association, to be aggregated with all awards received directly by the Association. In the event that any Owner fails to deposit that Owner's award, the Board may either levy a charge against the non-depositing Owner in the amount of the award or set-off the amount of the award against the sums payable to the Owner. All funds which the Association receives in connection with the total taking of the real property and improvements of the RV Resort, together with all other amounts which the Association is then holding, will be distributed in the same manner as excess insurance proceeds are distributed under Article X, subject to the Association's right to set-off.

22.3 Partial Taking by Condemnation. In the event of the taking of less than all of the real property and improvements of the RV Resort by condemnation, the RV Resort will continue as to those portions of the RV Resort Property not taken and the awards for that taking will be deposited with the Association, even though the awards may be payable to Owners. If an Owner fails to deposit the Owner's award, the Board may either levy a charge against the non-depositing Owner in the amount of the award, or set-off the amount of the award against the sums, if any, payable to the Owner. In the event of a taking of less than all of the real property and improvements of the RV Resort by condemnation, the size of the RV Resort will be reduced, the Owners of condemned Units will be made whole to the extent of the awards received with respect to the condemned Units and charges collected from non-depositing Owners, and portion of the RV Resort Property damaged by the taking will be made usable in the manner provided below.

22.4 Association as Agent. The Association is irrevocably appointed as the agent for each Owner, Mortgagee, and other holder of a lien on a Unit, and for each Owner of any other interest in the RV Resort, to represent them in any condemnation proceedings with respect to the RV Resort Property, and to negotiate and settle all of their claims in such proceedings. Any funds received by the Association as agent for the Owners will be held in escrow and distributed in accordance with this section.

22.5 Unit Reduced but Tenantable. If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking of a portion of the Unit will be used for the following purposes in the order stated and the following changes will be effected in the RV Resort:

(a) Restoration of Unit. The Unit will be made tenantable. If the cost of the restoration exceeds the amount of the award received and charges levied, the Association will obtain the additional funds required by levying a special assessment against all Owners.

(b) Distribution of Surplus. The balance of the award, if any, after restoration will be distributed to the Owner(s) and to the Mortgagees having an interest (and in accordance with such interest) in the Unit, the remittance being made payable to the Mortgagees to the extent of the amount outstanding (principal, interest, and other costs and expenses secured by the mortgage) under its respective mortgage (as certified by each Mortgagee in writing to the Association).

(c) Adjustment of Percentage Interest in the Common Elements. If the floor area of a Unit(s) is reduced by the taking, the percentage interest in the common elements appurtenant to each Unit will not be altered.

22.6 Unit Made Untenantable. If the taking is of the entire Unit or so reduces the size of a Unit that the Unit cannot be made tenantable, the award for the taking of the Unit will be used for the following purposes in the order stated and the following changes will be effected in the RV Resort:

(a) Payment of Award. The lesser of (i) the market value of each such Unit immediately prior to the taking of the Unit or (ii) the total of the awards received plus charges levied with respect to such Unit, will be paid to the Owner and to each Mortgagee having an interest in the Unit in accordance with their respective interests, the remittance being made payable to the Mortgagee to the extent of the amount outstanding (principal, interest, and other costs and expenses secured by the mortgage) under its mortgage (as certified in writing by each Mortgagee to the Association).

(b) Addition to Common Elements. The remaining portion of the Unit, if any, will become part of the Common Elements and will be placed in condition for use by all Owners in the manner approved by the Board; provided that if the cost of the work exceeds the balance, if any, of the funds received by the Association as a result of the taking, the work will be approved in the manner required by this Declaration for further improvement of the Common Elements.

(c) Adjustment of Shares in Common Elements. The shares in the common elements appurtenant to those Units that continue as part of the RV Resort will be adjusted to distribute the shares in the Common Elements appurtenant to the Unit which is no longer a Unit as a result of the taking among the reduced number of Owners. This will be done by restating the shares in the Common Elements of continuing Owners in accordance with the formula set forth in the attached Exhibit "D."

(d) Assessments. If the amount of the award for the taking is not sufficient to pay the amount set forth in section 22.6(a) and to place the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for those purposes will be raised by a special assessment levied by the Association against all of the Owners who will continue as Owners after the changes in the RV Resort effected by the taking. The special assessments will be made in proportion to the shares in the Common Elements of those Owners after the changes effected by the taking.

22.7 Taking of Common Elements. Awards for the taking of Common Elements will be used to make the remaining portion of the Common Elements usable in the manner approved by the Board; provided, that if the cost of the work exceeds the balance of the funds from the awards for the taking and any charges levied with respect to the taking, the work will be approved in the manner required in this Declaration for further improvement of the Common Elements. The balance of the awards for the taking of Common Elements, if any, may be distributed to the Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation or retained by the Association. If the Association decides to distribute the balance and if there is a mortgage of an Owner's interest in a Unit, the distribution will be made to the Mortgagee to the extent of the amount outstanding (principal, interest, and other costs and expenses secured by the mortgage) under its mortgage (as certified in writing by each such Mortgagee to the Association).

22.8 Interruption of Use. In no event is any interruption of use to be deemed to relieve affected Owners from any obligation to pay assessments due under this Declaration.

22.9 Amendment of Declaration. The changes in Units, the Common Elements, and the shares of the Common Elements that are affected by condemnation will be evidenced by an amendment to this Declaration.

XXIII. ESTOPPEL CERTIFICATES

In accordance with Section 35-8A-409, Alabama Code, any Owner or the Association, as the case may be, shall, from time to time, within ten (10) days after receipt of written request from any other Owner or the Association, as the case may be (the "Requesting Party"), execute, acknowledge and deliver to the Requesting Party or to any existing or prospective purchaser or mortgagee designated by the Requesting Party, a certificate (the "Estoppel Certificate") stating, to the extent applicable:

- (1) A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;
- (2) A statement of any other fees payable by unit owners;
- (3) The most recent regularly prepared balance sheet and income and expense statement, if any, of the association;
- (4) The current operating budget of the association;
- (5) A statement of any unsatisfied judgments against the association and any pending suit in which the association is a party;
- (6) A statement describing any insurance coverage provided for the benefit of unit owners;
- (7) A statement of the remaining term of any lease hold estate affecting the condominium and the provisions governing any extension or renewal thereof;
- (8) A statement of any restrictions in the declaration affecting the amount that may be received by a unit owner upon sale, condemnation, casualty loss to the unit or condominium or on termination of the condominium.
- (9) such other facts or conclusions as may be reasonably requested.

The Association and the Management Company are not liable for providing an estoppel certificate in good faith pursuant to a written request under this article if the estoppel certificate contains the statement substantially in the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

XXIV. MISCELLANEOUS

24.1 Notices. All notices to the Association required or desired under this Declaration or under the Bylaws will be sent by certified mail (return receipt requested) to the Association in care of its office at the RV Resort, or to such other address as the Association may under this Declaration designate from time to time by notice in writing to all Owners. Except as provided specifically in Alabama Uniform Condominium Act, all notices to any Owner will be sent by first class mail to the RV Resort address of such Owner, or such other address as may have been designated by him from time to time, in writing, to the Association. All notices to Mortgagees will be sent by first class mail to their respective addresses, or they from time to time may designate such other address, in writing to the Association. All notices will be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which will be deemed to have been given when received, or 5 business days after proper mailing, whichever will first occur.

24.2 Interpretation. The Board will be responsible for interpreting the provisions of the RV Resort Documents. Such interpretation will be binding upon all parties unless wholly unreasonable. An opinion of legal counsel that any interpretation adopted by the Board is not unreasonable will conclusively establish the validity of such interpretation.

24.3 Ratification. Each Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his occupancy, will be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and RV Resort Documents are fair and reasonable in all material respects.

24.4 Execution of Documents: Attorney-in-Fact. Without limiting the generality of other Articles or sections of this Declaration and without such other Articles or sections limiting the generality of this section, each Owner, by reason of the acceptance of a deed to a Unit, agrees to execute, at the request of the Developer, all documents or consents which may be required by all governmental agencies to allow the Developer and its affiliates to complete the plan of development of the RV Resort as such plan may be amended, and each such Owner further appoints the Developer as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Owners, any and all of such documents or consents. This power of attorney is irrevocable and coupled with an interest. The provisions of this section may not be amended without the consent of the Developer.

24.5 Gender, Plurality, and Include. Wherever the context so permits, the singular will include the plural, the plural will include the singular, and the use of any gender will be deemed to include all or no genders. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

24.6 Captions. The captions in this Declaration and in the Exhibits annexed to this Declaration are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision of this Declaration or the Exhibits annexed to this Declaration.

24.7 Approval by Developer. In every instance where the approval or consent of the Developer is required, such approval or consent must be given in writing and signed by an authorized representative of the Developer. Furthermore, any approval, consent, decision, right, determination, election, or finding that is given, withheld, done, made, reserved, taken, or availed of, by the Developer may be in the Developer's sole, absolute, and unfettered discretion without any implied standard of reasonableness imposed on the Developer and without any requirement of due diligence.

24.8 References. Unless specifically noted otherwise, all references to any article, section, subsection, sentence, clause, phrase, word, or other provision are references to articles, sections, subsections, sentences, clauses, phrases, words, or other provisions in this Declaration.

XXV. SPECIAL DECLARANT RIGHTS

25.1 Transfer of Control of Association. The Developer shall designate the initial members of the Board. The Developer will continue to designate from time to time all Developer positions on the Board until such time as the Developer is no longer entitled to elect or designate a director in accordance with Section 35-8A-303, *Alabama Code*; provided, however, that nothing in this Declaration may be construed to preclude the Developer from relinquishing control of the Board at any earlier time that Developer may so elect. In the event that Developer voluntarily surrenders the right to appoint and remove officers and members of the board before termination of that period, 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. In accordance with Section 35-8A-303, *Alabama Code*, unless applicable law is subsequently amended to permit a longer period of control of the Board by the Developer (in which case such applicable law will govern at the option of the Developer and the Developer may amend this Declaration to provide for such longer period), the Developer may continue to designate from time to time all Developer positions on the Board until the earliest of the following: (i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Resort Unit Owners other than Declarant; (ii) Two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business; or, (iii) Two (2) years after any development right to add new units was last exercised.

25.2 Improvements. The Developer reserves the right to complete improvements indicated on plats and plans filed with the declaration. The Developer also reserves right to submit property to this RV Resort in two (2) phases. The land which the Developer currently contemplates may ultimately become part of the RV Resort is described in Exhibit "A."

25.3 Marketing and Sales. The Developer reserves to itself and its agents, for so long as it owns any interest in any Unit, or other property located adjacent to the RV Resort Property, exclusive easement rights over and across the RV Resort Property for the purpose of marketing, sales, resales, and rental of Resort Units, Resort Operation Units, accommodations at other projects, or any other hospitality, realty, or consumer products, and for the purpose of leasing any accommodations that are not part of the RV Resort. Such rights may include the right to establish models; permit parking on the RV Resort Property; conduct property tours; conduct sales presentations; conduct closings; and to erect, post, maintain, and relocate signs, notices, advertisements, and other promotional information on the RV Resort Property. Lessees of Developer-owned non-declared units shall have, for the length of the term of their leases, the same easement rights over and across the RV Resort Property and use rights to the recreational areas and facilities of the RV Resort as are reserved for Owners of declared Units

25.4 Developer Easements. The Developer reserves to itself, those other easements described in Section 4.3 of this Declaration.

IN WITNESS WHEREOF, the Developer has executed this Declaration this 17 day of August, 2007.

Witnesses:

Witness Signature

Print Name

Witness Signature

Print Name

"Developer"

Bella Terra, LLC, a Alabama limited liability company

By:

Charles K. Smith

As Its:

MANAGER

STATE OF ALABAMA)

) ss.

COUNTY OF Baldwin)

I, LaureAnn H. Price, a Notary Public in and for said county and state, hereby certify that Charles K. Smith whose name as Manager of Bella Terra, LLC, and 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 the instrument, in his/her capacity as Manager, executed the same voluntarily on the day the same bears date.

Witness my hand and seal this 17th day of August, 2007.

(NOTARY SEAL)

(Notary Signature)

LAUREANN H. PRICE

(Notary Name Printed)

NOTARY PUBLIC

Commission No. _____

Prepared by:

William C. Guthrie

Baker & Hostetler

SunTrust Center, Suite 2300

200 S. Orange Avenue

Orlando, FL 32802

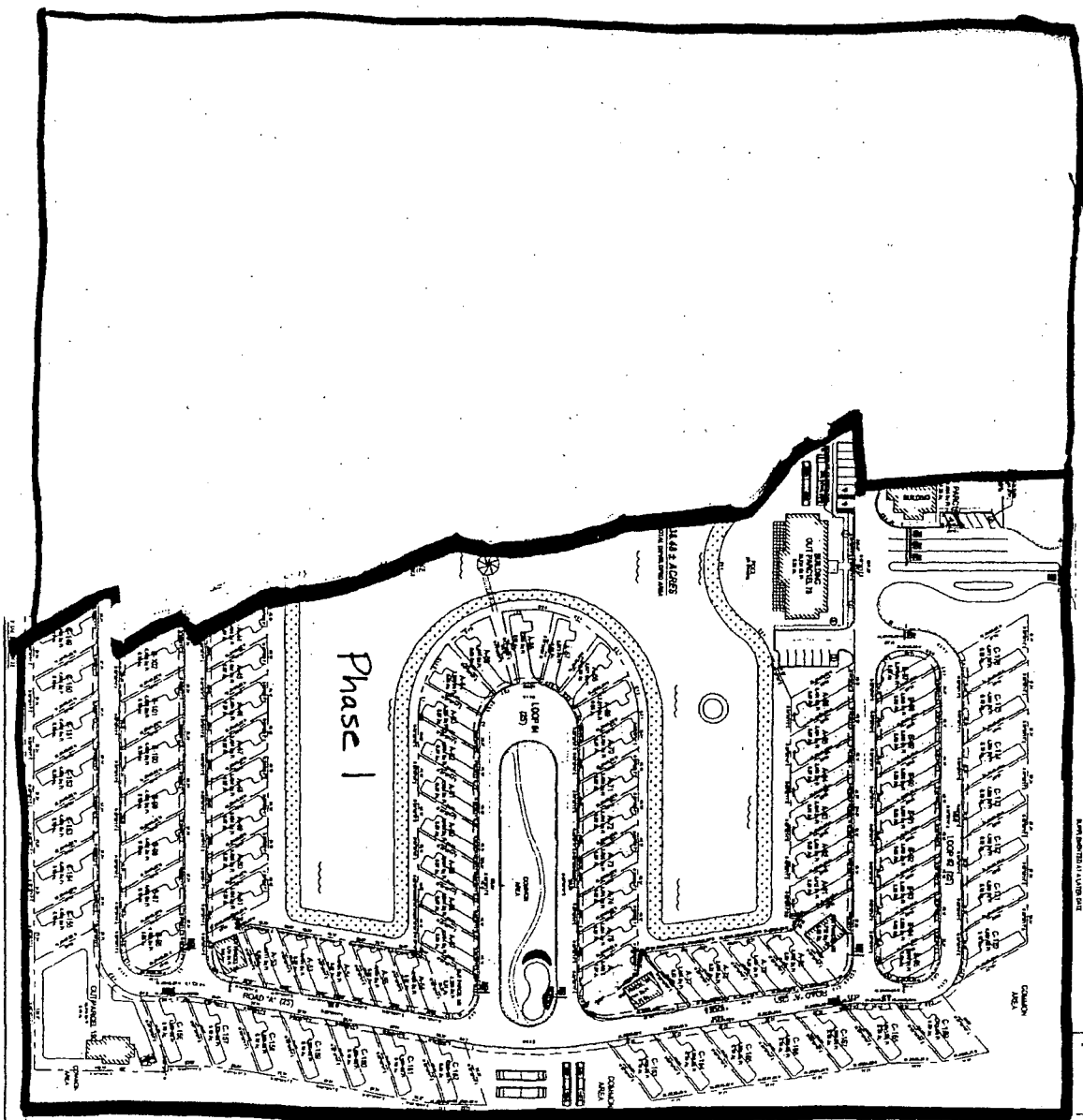
EXHIBIT "A"

Legal Description.

Even though the legal description on this Exhibit "A" describes Phase I and Phase II, Phase I is the only phase being submitted to the condominium form of ownership at this time. Phase I is separately delineated on Exhibit "A-1".

The Northeast Quarter of the Southwest Quarter of Section 15, Township 8 South, Range 4 East, Baldwin County, Alabama, being more particularly described as follows: Beginning at the Southeast corner of the Northeast Quarter of the Southwest Quarter of Section 15, Township 8 South, Range 4 East, Baldwin County, Alabama; thence run N89°44'19"W, 1328.83 feet to a point; thence run N00°00'04"W, 1261.59 feet to a point on the South right of way line of Brinks Willis Road; thence run S89°45'00"E, along said South right of way line 1328.82 feet to a point; thence run South 00°00'04"E, leaving said South right of way line 1261.85 feet to the point of beginning, containing 38.49 acres more or less.

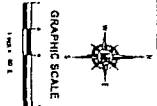
EXHIBIT
"A-1"
Phase I Description



LAST DATE FOR REVISIONS
REVISIONS BY DATE
NO. 1-15-2000 001

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PROJECT TITLE
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PLAN

DATE
1-15-2000
BY
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APPROVED
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REVISIONS
NO. DATE DESCRIPTION
1 1-15-2000 001

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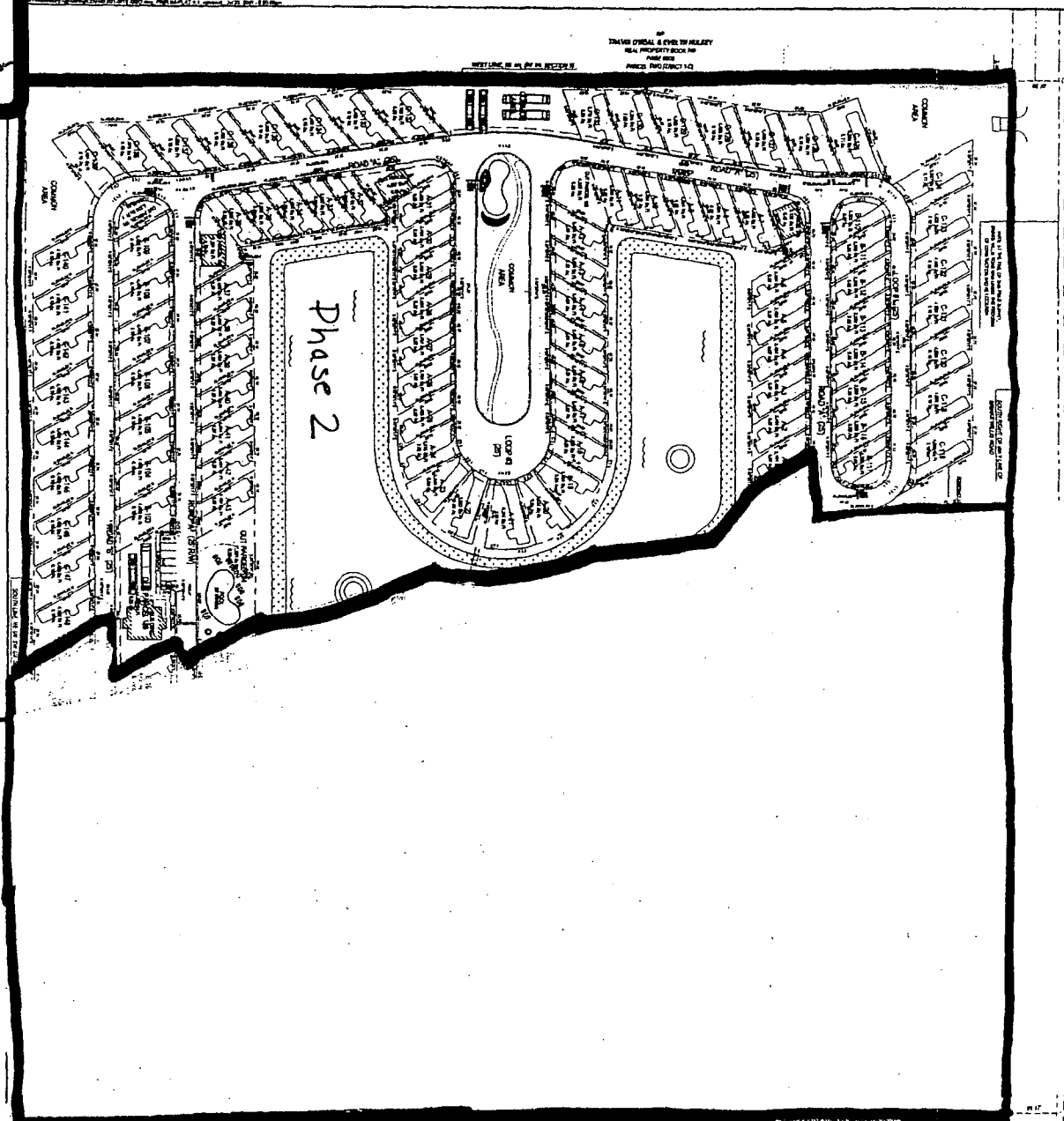
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PROJECT NAME
BELLA TERRA
RECREATIONAL VEHICLE RESORT
BALTIMORE COUNTY, ALABAMA
DEVELOPER NAME
BELLA TERRA, LLC
6194 GULF SHORES PARKWAY
GULF SHORES, AL 37542

Moore Bass
CONSULTING

tabbles®

Phase 2 Description



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EXHIBIT "B"

The initial copy of the Articles of Incorporation of the Association.

ARTICLES OF INCORPORATION

OF

BELLA TERRA GULF SHORES RV RESORT CONDOMINIUM
ASSOCIATION, INC.

(a nonprofit corporation)

All terms used in these Articles of Incorporation of Bella Terra Gulf Shores RV Resort Condominium Association, Inc. (the "Articles") will have the same meaning as the identical terms used in the Declaration of Condominium of Bella Terra Gulf Shores RV Resort Condominium (the "Declaration"), unless otherwise defined herein.

ARTICLE I

Name

The name of the corporation will be Bella Terra Gulf Shores RV Resort Condominium Association, Inc. For convenience this corporation will be referred to herein as the "Association."

ARTICLE II

Purposes

1. The purpose for which the Association is organized is to manage, operate and maintain a condominium to be known as Bella Terra Gulf Shores RV Resort Condominium (the "RV Resort") in accordance with the Declaration, and for any other lawful purpose.
2. The Association will have no capital stock and will make no distribution of income or profit to its members, directors or officers.

ARTICLE III

Powers

1. The Association will have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles, together with such additional specific powers as are contained in the Bylaws or Declaration, and all other powers reasonably necessary to implement the purpose of the Association.
2. All funds and the titles to all property acquired by the Association and the proceeds thereof must be held only for the benefit of the members in accordance with the provisions of the RV Resort Documents.
3. The powers of the Association will be subject to and will be exercised in accordance with the provisions of the Declaration.
4. To maintain, manage, repair, replace and operate the RV Resort Property, including any surface water management system located on the RV Resort Property, as permitted by a water management district, including, without limitation all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, floodplain, compensation areas, wetlands and any associated buffer areas, and wetlands mitigation areas.

ARTICLE IV

Members

The qualifications of members, the manner of their admission to the Association, and voting by members will be as follows:

1. All Owners are members of this Association, and no other persons or entities are entitled to membership. Each Owner will be entitled to vote in accordance with the Bylaws.
2. Changes in membership in the Association will be established by the recording in the Office of the Probate Judge of Baldwin County, Alabama, of a deed or other instrument establishing a change of record title to a Unit and the delivery to the Association of a copy of such recorded instrument. The new Owner designated by such instrument will thereby become a member of the Association. The membership of the prior Owner will be thereby terminated.
3. 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 the member's Unit.

ARTICLE V

Directors

1. The affairs of the Association will be managed by a board of directors of consisting of three (3) members. The names and addresses of the three (3) members of the initial Board of Directors, who shall hold office until election or appointment of their successors, are as follows:

Charles K. Smith
Tripp Keber
Gary Weinstein

2. Directors of the Association must be appointed or elected at the annual meeting of the members in the manner determined by the Bylaws.

ARTICLE VI

Indemnification

Every director and every officer of the Association must be indemnified by the Association against all expenses and liabilities, including attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such officer or director may become involved by reason of his or her being or having been 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 or her duties; provided, that in the event of a settlement, the indemnification herein will apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Association. The foregoing indemnification will be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VII

Bylaws

The Bylaws will be adopted by the Board and may be altered, amended or rescinded as provided in the Bylaws.

ARTICLE VIII

Amendments

Amendments to these Articles of Incorporation will be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment or a summary of the changes to be effected must be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the first election of a majority of directors by members other than the Developer, proposal of an amendment and approval thereof will require the majority vote of the Board, and no meeting of the members nor any approval thereof is required, unless such meeting or approval is required by the Declaration.
3. After the first election of a majority of directors by members other than the Developer, the directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or special meeting. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes entitled to be cast by members present or represented by proxy at such meeting.
4. Once adopted, an amendment will be effective when filed with the Office of the Probate Judge of Baldwin County, Alabama.
5. Notwithstanding the foregoing, these Articles may be amended by the Developer as may be required by any governmental entity; as may be necessary to conform these Articles to any governmental statutes; as may be in the best interests of the Association; or as the Developer may deem appropriate, in its sole discretion, to carry out the purposes of the project and to expand or enhance the RV Resort.

ARTICLE IX

Term

The term of the Association is the life of the RV Resort. The Association will be terminated by the termination of the RV Resort in accordance with the Declaration.

ARTICLE X

Incorporator

The name and address of the incorporator to these Articles of Incorporation is as follows:

<u>Name</u>	<u>Address</u>
Charles K. Smith	6194 Gulf Shores Parkway Gulf Shores, AL 36542

ARTICLE XII

Registered Agent

The Association hereby appoints Charles K. Smith as its Registered Agent to accept service of process within this state, with the Registered Office located at 6194 Gulf Shores Parkway, Gulf Shores, Alabama 36542.

ARTICLE XII

Principal Office

The address of the principal office and the mailing address of the Association shall be 6194 Gulf Shores Parkway, Gulf Shores, AL 36542, or at such other place as may be subsequently designated by the Board. All books and records of the Association shall be kept at its principal office or at such other place as may be permitted by section 10-3A-43, *Alabama Code*, as amended.

IN WITNESS WHEREOF the incorporator has hereto affixed to these Articles of Incorporation the incorporator's signature this 17th day of August, 2007

By:

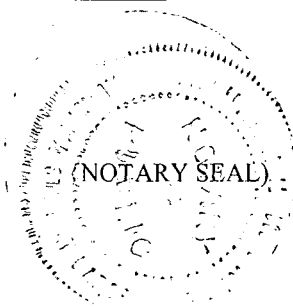
Its:

STATE OF ALABAMA)

COUNTY OF Baldwin)

) SS.

The foregoing instrument was acknowledged before me this 17th day of August, 2007, by CHARLES K SMITH, who is executing these Articles as INCORPORATOR of Gulf Shores and who is personally known to me or has produced Driver's License as identification.



Lawrence H Price
(Notary Signature)

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: May 1, 2011
BONDED THRU NOTARY PUBLIC UNDERWRITERS

(Notary Signature)

LAWRENCE H PRICE

(Notary Name Printed)

NOTARY PUBLIC

Commission No. _____

Prepared by:
William C. Guthrie
Baker & Hostetler
SunTrust Center, Suite 2300
200 South Orange Ave
Orlando, FL 32801

EXHIBIT "C"

The initial copy of the Bylaws of the Association.

BYLAWS
OF
BELLA TERRA GULF SHORES RV
RESORT CONDOMINIUM ASSOCIATION, INC.

a nonprofit corporation
under the laws of the State of Alabama

All terms used in these Bylaws of Bella Terra Gulf Shores RV Resort Condominium Association, Inc. ("**Bylaws**") will have the same meaning as the identical terms used in the Declaration of Condominium of Bella Terra Gulf Shores RV Resort Condominium ("**Declaration**"), unless the context otherwise requires. In the event of a conflict between these Bylaws and the Declaration, the Declaration will prevail.

I. IDENTITY

These are the Bylaws of Bella Terra Gulf Shores RV Resort Condominium Association, Inc., a nonprofit corporation incorporated under the laws of the State of Alabama ("**Association**"), by the filing of the Articles of Incorporation ("**Articles of Incorporation**") which have been filed in the office of the Judge of Probate for Baldwin County, Alabama. The Association has been organized for the purpose of administering a condominium upon certain lands in Baldwin County, Alabama, known as Bella Terra Gulf Shores RV Resort Condominium ("**RV Resort**"), in accordance with the Declaration.

1. The principal office of the Association is at 6194 Gulf Shores Parkway, Gulf Shores Alabama 36542 or at such other place as may be designated by the Board from time to time.
2. The fiscal year of the Association is the calendar year.

II. MEMBERS' MEETINGS

1. The annual members' meeting will be held at such time, place, and date as may be designated by the Board, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members or the RV Resort Documents.
2. Special members' meetings will be held whenever called by the president or by a majority of the Board, at such time, place and date as may be designated by the Board, and must be called by such officers upon receipt of a written request from twenty percent (20%) of the voting interests of the members except as provided for in Article III and Article VI below.
3. Notice of all members' meetings stating the place, day and hour, and the agenda, including the general nature of any proposed amendment to the declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the board, for which the meeting is called will be mailed or hand-delivered to each member, unless waived in writing. Such notice will be sent in writing to each member at his address as it appears on the books of the Association and will be sent by mail to each member not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Members may waive notice of annual and special meetings and may take action by written agreement without meetings for those matters which are specifically provided for in the RV Resort Documents or by statute. Any member's attendance at a meeting will constitute a waiver of the notice of that meeting. Mortgagees, as that term is defined in the Declaration, will, upon

prior written request, be entitled to receive notice of all members' meeting. Failure to provide such notice does not invalidate any action taken at an otherwise properly noticed meeting.

4. The presence in person or by proxy at the beginning of the meeting, of members representing twenty percent (20%) of the total voting interests which may be cast for election of the board constitutes a quorum, throughout the meeting, and except as otherwise provided in these Bylaws, approvals or actions given or taken by the Owners shall be given or taken in accordance with Section 9.7 of the Declaration. Notwithstanding anything in these Bylaws to the contrary, the provisions of this Section 4 shall only be amended by the vote of two-thirds (2/3) of all of the voting interests of the Association.

5. All Owners are members of the Association, and no other persons or entities are entitled to membership. Each Resort Unit and each Resort Operation Unit will have one (1) vote in the Association. Where a Unit is owned by more than one Owner, the co-tenants of the Unit must file a voting certificate with the Association setting forth which co-tenant is designated to cast the vote for that Unit.

6. Votes may be cast in person or by proxy in accordance with § 35-8A-310, *Alabama Code*. Any proxy given terminates one year after its date, unless a shorter term is specified. Each proxy must specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Every proxy is revocable at any time at the pleasure of the member executing it so long as that member provides actual notice of revocation to the person presiding over the meeting of the Association. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in the member's place. If such provision is not made, substitution is not authorized.

7. Approval or disapproval of a member upon any matter, whether or not the subject of an Association meeting, must be by the same person, corporation or other entity who would cast the vote of such member if in an Association meeting.

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

9. Unless modified by the Board or the members, the order of business at annual members' meetings and, as far as practicable at all other members' meetings, is as follows:

- A. Collection of Ballots
- B. Call to order.
- C. Election of chairman of the meeting.
- D. Calling of the roll and certifying of proxies.
- E. Proof of notice of meeting or waiver of notice.
- F. Reading and disposal of any unapproved minutes.
- G. Report of officers.
- H. Report of committees.
- I. Election of directors.
- J. Unfinished business.
- K. New business.
- L. Adjournment.

Notwithstanding the foregoing, if any item listed above is not relevant to a particular meeting, as determined by the Board's sole and absolute judgment, such item will not be required to be addressed at that particular meeting.

10. For so long as the Developer holds Units for sale or lease in the ordinary course of business, none of the following actions may be taken without the prior approval in writing by the Developer:

- A. Assessment of the Developer as the Owner of Units for capital improvements;

B. Any action by the Association that would be detrimental to the sale or lease of Units by the Developer;

C. Any other action by the Association for which the RV Resort Documents require the prior written approval of the Developer.

III. DIRECTORS

1. The affairs of the Association are managed by a board of directors who will be members of the Association, excepting that directors appointed by the Developer and to fill Developer seats on the Board and the first Board and their successors appointed by the remaining directors (in the event of vacancies occurring before the first election of a majority of directors by members) need not be members. The initial Board will consist of three (3) directors, which will serve until the first election of directors, and at the first election of directors and thereafter, the membership of the Board will consist of five (5) directors. Where Units are owned by corporations, the officers, directors, employees or other appointed representatives of said corporations are eligible to serve on the Board on behalf of the corporation. Notwithstanding anything in these Bylaws to the contrary, the provisions of this Section 1 may only be amended by a vote of two-thirds (2/3) of all of the voting interests of the Association.

2. Election of directors will be conducted in the following manner:

A. Members of the Board are elected by written ballot or voting machine at an annual meeting of the members of the Association. Proxies may not in any event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless specifically allowed by § 35-8A-310, *Alabama Code*. Each member of the Board elected by the Owners other than the Developer pursuant to Subparagraphs C.(1) and C.(2) below shall be elected so as to achieve staggered terms of service. Not less than sixty (60) days before a scheduled election, the Association will mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Owner entitled to vote, a first notice of the date of the election. Any Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before a scheduled election. Not less than fourteen (14) days before the election, the Association will mail or deliver a second notice of the election to all Owners entitled to vote in the election, together with a ballot listing all candidates. Elections are decided by a plurality of those ballots cast. There is no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of members of the Board. There is no cumulative voting.

B. Vacancies on the Board may be filled by the remaining directors subject to the provision of Paragraph 2(C) of this Article. A director appointed to fill a vacancy in office will serve the remainder of the term of the office to which he is appointed.

C. The initial three (3) directors will be appointed by the Developer and will serve until the first election of directors. At the first election of the directors, the number of directors will be increased to five (5). The Owners of the Resort Units will be entitled to elect three (3) members of the Board and the Owners of the Resort Operation Units will be entitled to elect two (2) members of the Board. Only the Resort Unit Owners shall vote for the seats that may be elected by the Resort Unit Owners, and only Resort Operation Unit Owners shall vote for the seats that may be elected by Resort Operation Unit Owners.

Unless applicable law is subsequently amended to permit a longer period of control of the Board by the Developer (in which case such applicable law will govern at the option of the Developer and the Developer may amend these Bylaws to provide for such longer period):

(1) The Developer may continue to designate from time to time all Developer positions on the Board until the earliest of the following ("**Termination of Developer Control Event**"):

(a) Sixty (60) days after conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than Declarant;

(b) Two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business; or

(c) Two (2) years after any development right to add new units was last exercised.

(2) Alabama law requires the following:

(a) Not later than ninety (90) days after conveyance of twenty-five (25%) of the Units which may be created to unit owners other than the Developer, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Unit Owners other than the Developer.

(b) Not later than ninety (90) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than the Developer, not less than thirty-three and one-third percent (33 1/3%) percent of the members of the Board must be elected by Unit Owners other than the Developer.

To meet these requirements, at such time as Owners other than the Developer are entitled to elect not less than twenty-five percent (25%) of the members of the Board, the Owners of the Resort Units other than the Developer shall be entitled to elect two (2) of the three (3) directors allocated to the Resort Units as set forth in this section (which is forty (40) percent of the members of the Board).

(3) Upon a Termination of Developer Control Event, the Owners of Resort Units other than the Developer will be entitled to elect three (3) members of the Board and the Owners of Resort Operation Units will be entitled to elect two (2) members of the Board. The Board shall elect the officers. The board members and officers shall take office upon election.

(4) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Unit Owners, by a two-thirds (2/3) vote of all persons present in person and entitled to vote at any meeting of the unit owners at which a quorum in person is present, may remove any member of the Board with or without cause, other than a member appointed by the Developer.

(5) Nothing in this Paragraph C should be construed so as to preclude the Developer from relinquishing control of the Board at any earlier time the Developer may so elect.

(6) Except as otherwise permitted in this Paragraph C, the provisions of Subparagraphs (1), (2), and (3) above may only be amended by the vote of two-thirds (2/3) of all of the voting interests of the Association.

3. Except as otherwise required to achieve staggered terms of service pursuant to Subsection 2.A. above, members of the Board who are elected by Owners other than the Developer at the annual meeting of members shall serve for a two (2) year term and thereafter until a successor is duly elected or qualified or until the director is removed in the manner elsewhere provided. Where necessary to achieve staggered terms of service pursuant to Subsection 2.A. above, members of the Board who are elected by Owners other than the Developer may be elected to terms of service, the lengths of which may be greater or less than two (2) years as determined by the incumbent members of the Board; provided, however, that such terms of service shall be not less than six (6) months in length and not greater than thirty (30) months in length.

4. The organizational meeting of a newly elected Board will be held within ten (10) days of the election at such place and time as will be fixed by the Board at the meeting at which the directors were elected, and no further notice of the organizational meeting will be necessary provided that a quorum is present.

5. Regular meetings of the Board may be held at such time and place as will be determined from time to time by a majority of the directors. Notice of regular meetings will be given to each director, personally, by facsimile upon confirmation of receipt, by mail, telephone or telegraph at least three (3) days prior to the date named for such meeting unless such notice is waived. Notwithstanding anything in this Section to the contrary, if a meeting of the Board at which nonemergency special assessments, or at which amendment to rules regarding Unit use will be considered is called, notice will be mailed or hand-delivered to the Owners not less than ten (10) days prior to the meeting. All meetings of the Board are open to all members of the Association.

6. Special meetings of the Board may be called by the chairperson of the Board or the president and must be called by the secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days' notice of the meeting will be given to the directors personally or by mail, telephone or telegraph, which notice will state the time, place and purpose of the meeting.

7. Any director may waive notice of a meeting before or after the meeting, and such waiver will be deemed equivalent to the giving of notice. Any director's attendance at a meeting constitutes a waiver of the notice of that meeting.

8. A quorum at Board meetings consists of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of votes present constitute the acts of the Board except as specifically otherwise provided in the Declaration. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Once a quorum is present, the meeting may resume and any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. The presiding officer of Board meetings is the president of the Association. In the absence of the president the vice-president presides unless the Board votes otherwise.

10. Directors' fees, if any, will be determined by the members of the Association, and no director will receive a fee prior to the election of a majority of the members of the Board by Owners other than the Developer.

11. Owner directors may be removed from the Board pursuant to a two-thirds (2/3) vote of all persons present in person and entitled to vote at any meeting of the unit owners at which a quorum in person is present.

12. Any vacancies in office occurring prior to an election will be filled by the remaining directors (even if the remaining directors constitute less than a quorum); provided, however, that any director who is appointed by the Developer may be removed by the Developer at any time. Upon such removal of a director appointed by the Developer, or upon the resignation of a director appointed by the Developer, the Developer will immediately appoint a replacement director and notify the remaining directors, if any, of such removal/resignation and appointment.

IV. POWERS AND DUTIES OF THE BOARD

All of the powers and duties of the Association will be exercised by the Board including those existing under the common law, statutes, and the RV Resort Documents, except as otherwise provided in these Bylaws, statutes, and the RV Resort Documents. Such powers and duties of the Board will be exercised in accordance with the provisions of the Declaration which governs the use of the land, and will include, but not be limited to, the following:

1. Adopt and amend bylaws and rules and regulations, except that an association may not adopt a bylaw or enforce an existing bylaw to restrict an owner from renovating or decorating his or her unit in a manner that does not substantially alter the exterior appearance of the condominium;

2. Adopt and amend budgets for revenues, expenditures, and reserves and impose and collect assessments for common expenses from unit owners;
3. Hire and discharge managing agents and other employees, agents, and independent contractors provided that a management contract with managing agents may only be terminated in accordance with its terms;
4. To maintain, manage, repair, replace and operate the RV Resort Property consistent with the Resort Standard as defined in the Declaration of Shared Facilities Easement, including, but not limited to, obtaining and maintaining adequate insurance to protect the Association and the RV Resort Property;
5. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;
6. Make contracts and incur liabilities;
7. Regulate the use, maintenance, repair, replacement, and modification of common elements;
8. Cause additional improvements to be made as a part of the common elements;
9. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to § 35-8A-312, *Alabama Code*;
10. Grant easements, encroachments, leases, licenses, and concessions through or over the common elements;
11. To bond any or all employees, officers and directors of the Association, for which the Association will bear the costs
12. Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements described in §§ 35-8A-202(2) and (4), *Alabama Code*, and for services provided to unit owners;
13. Impose against owners of units charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;
14. Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required by § 35-8A-409, *Alabama Code*, or statements of unpaid assessments;
15. Provide for the indemnification of its officers and board and maintain directors' and officers' liability insurance;
16. Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration expressly so provides;
17. Exercise any other powers conferred by the declaration or bylaws;
18. Exercise all other powers that may be exercised in this state by legal entities of the same type as the association; and
19. Exercise any other powers necessary and proper for the governance and operation of the association.

The declaration may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

V. OFFICERS

1. The executive officers of the Association will be a president, a vice-president, a secretary, and a treasurer, all of whom will be directors of the Association and who will be elected annually by the Board at any meeting for terms not exceeding three years. Officers will serve without compensation at the pleasure of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the president cannot be the secretary. The Board will from time to time elect such other officers and designate their powers and duties as the Board determines necessary to manage the affairs of the Association.

2. The president is the chief executive of the Association. The president will have all of the powers and duties which are usually vested in the office of president including, but not limited to, the power of appointing committees from among the members from time to time, as the president may in the president's discretion determine appropriate, to assist in the conduct of the affairs of the Association.

3. The vice-president will in the absence of or disability of the president exercise the powers and duties of the president. The vice president will also generally assist the president and exercise such other powers and perform such other duties as may be prescribed by the Board.

4. The secretary will keep the minutes of the proceedings of the Board and the members in a book available for inspection by the Board or members, or their authorized representatives, at any reasonable time. The Association will retain these minutes for a period of not less than seven (7) years. The secretary will attend to the giving and serving of all notices required by law. The secretary will have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed.

5. The treasurer will have custody of all property of the Association, including financial records, funds, securities and evidences of indebtedness. The treasurer will keep the financial records of the Association and will keep the assessment rolls, the accounts of the members, and the books of the Association in accordance with generally accepted accounting practices. The treasurer will perform all other duties incident to the office of the treasurer of an Association and as may be required by the Board or the president.

6. The compensation of all employees of the Association will be fixed by the Board. This provision does not preclude the Board from employing a director or officer as an employee of the Association nor preclude the contracting with a director for the management of the RV Resort.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and the Articles are supplemented by the following provisions:

1. Assessments.

A. The Board will fix and determine, from time to time, the sum or sums necessary and adequate for the Common Expenses of the RV Resort. Common Expenses include the expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating to such expenses, including fire insurance and extended coverage, any and all costs, charges, fees, payments, expenses and expense reimbursements required by the Shared Facilities Easement, including, without limitation, all Shared Facilities Costs allocated to Owners or the Association, and any other expenses designated as Common Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Association, to make and collect assessments and to lease, maintain, repair and replace the Common

Elements and Limited Common Elements of the RV Resort. The Board has the power, on behalf of the Association, to lease Common Elements of the RV Resort in accordance with the provisions of the Declaration. Funds for the payment of Common Expenses will be assessed against the members in proportion to their respective obligations for Common Expenses, as provided in the Declaration. Assessments for Units will become due and payable on a monthly basis, and will be considered delinquent if payment has not been received on or before the first (1st) day of each month, unless otherwise ordered by the Board. Special assessments, should such be required by the Board, will be levied in the same manner as provided for regular assessments, and will be payable in the manner determined by the Board. If a member is in default in the payment of any assessment or taxes due on his interest, the Association will have all collection rights available to it under Section 35. If any unpaid share of Common Expenses or assessments is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure of a superior lien, the unpaid share of Common Expenses or assessments will be Common Expenses collectible from all the Owners.

B. The assessment roll will be maintained in a set of accounting books or records in which there will be an account for each Unit. Such an account will designate the name and address of the members or member, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments. Assessments will be made against members in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Board as to the frequency of assessments, assessments will be due and payable monthly. The personal liability of a member for assessments survives the termination of such member's membership in the Association.

C. Any member will have the right to require from the Association a certificate showing the amount of unpaid assessments against him with respect to his Unit. The holder of a mortgage or other lien will have the same right as to any Unit upon which such holder has a lien. Any person (other than the Unit Owner) who relies upon such certificate will be protected.

D. Notice of any meeting, whether a meeting of the Board or of the members of the Association, at which assessments against members are to be considered for any reason must specifically contain a statement that assessments will be considered and the nature of such assessments.

2. Budget.

A. The Board will adopt a budget for each calendar year which will contain estimates of the cost of performing the functions of the Association and estimates of the income of the Association. The proposed annual budget of Common Expenses will be detailed and will show the amounts budgeted by accounts and expense classifications. In addition to annual operating expenses, the budget will include reserve accounts for capital expenditures and deferred maintenance. The budget will include, but not be limited to, the following items, as applicable:

- (1) Common Expense Budget
 - i. Administration of the Association.
 - ii. Management fees.
 - iii. Maintenance.
 - iv. Rent for facilities.
 - v. Taxes upon RV Resort Property.
 - vi. Taxes upon leased areas.
 - vii. Insurance.

- viii. Security provisions.
- ix. Operating capital.
- x. Reserves.
- xi. Costs, charges, fees, payments, expenses and expense reimbursements required by the Shared Facilities Easement, including, without limitation, all Shared Facilities Costs allocated to Owners or the Association.
- xii. Other expenses.

(2) Proposed assessments against each member, together with an annual total of assessments.

B. Within thirty (30) days after adoption of any proposed budget, the board shall provide a copy of the budget to all unit owners, and shall set a date for a meeting of the unit owners to consider ratification of the budget, not less than fourteen (14) nor more than thirty (30) days after delivery or mailing of the budget to the unit owners. Unless at that meeting a majority of all the unit owners present in person or by proxy or any larger vote specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the even the proposed budget is rejected, the periodic budget last ratified by the unit owners shall be continued until such time as the unit owners ratify a subsequent budget proposed by the board.

3. The depository of the Association will be such bank or other institution as permitted by applicable Alabama law, as will be designated from time to time by the Board and from which the monies in such accounts will be withdrawn only by checks signed by such persons as are authorized by the Board.

VII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) govern the conduct of the Association proceedings when not in conflict with the Articles and Bylaws or with the statutes of the state of Alabama.

VIII. AMENDMENTS

Amendments to the Bylaws will be proposed and adopted in the following manner:

1. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members. Notice of the proposed amendment or a summary of the changes will be included in the notice of any meeting at which a proposed amendment is considered.

2. Except as otherwise provided in these Bylaws, a resolution adopting a proposed amendment must receive the approval of not less than two-thirds (2/3) of the votes entitled to vote.

3. An amendment when adopted becomes effective only after being recorded in the office of the Judge of Probate of Baldwin County, Alabama.

4. These Bylaws may be amended by the Developer, if necessary, to make the same consistent with the provisions of the Declaration, to meet the requirements of any governmental entity or statute, as may be in the best interests of the Association, and as it may deem appropriate, in its sole discretion, to carry out the purposes of the project and to expand or enhance the RV Resort.

5. No bylaw may be revised or amended by reference to its title or number only. Proposals to amend existing bylaws must contain the full text of the bylaws to be amended; new words will be inserted in the text underlined, and words to be deleted will be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language "Substantial rewording of Bylaw. See Bylaw . . . for present text." Nonmaterial errors or omissions in the bylaw amendment process will not invalidate an otherwise properly promulgated amendment.

IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These Bylaws are to be governed by and construed according to the laws of the State of Alabama. If it should appear that any of the provisions of these Bylaws are in conflict with the Declaration or any rule of law or statutory provision of the state of Alabama, then such provisions of these Bylaws will be deemed inoperative and null and void insofar as they may be in conflict with the Declaration or any rule or such rule of law, and will be deemed modified to conform to the Declaration or such rule of law.

X. INCORPORATION OF PORTIONS OF ALABAMA STATUTES

Except as specifically provided otherwise in these Bylaws as permitted by Section 35, all provisions of Section 35-8A-101 through 417, *Alabama Code*, and Sections 10-3A-1 through 10-3A-225, *Alabama Code*, are deemed to be included in these Bylaws.

CERTIFICATE

The undersigned hereby certifies that he is the duly elected and acting secretary of the Association named herein and that the foregoing is a true copy of the Bylaws of said Association duly adopted by action of the Board dated _____, 200____, and hereby further certifies that such Bylaws have not been amended or rescinded and remain in full force and effect at the date hereof.

DATED this _____ day of _____, 200____.

Secretary

EXHIBIT "D"

Percentage Interests in Common Elements, Common Surplus, Common Expenses and Shared Facilities Costs.

Each Unit within the RV Resort shall have an undivided percentage interest in the Common Elements and Common Surplus and a share of the RV Resort Common Expenses and Shared Facilities Costs of the RV Resort on an equal fractional basis. This fractional interest is based on the total number of Resort Units and Resort Operation Units declared as part of the RV Resort at any given time.

To determine the exact percentage interest of a given Unit declared into the RV Resort at any given time, the following mathematical formula applies: $I = I/T$.

1. "I" represents the interest to be determined of a particular Unit.
2. "T" represents the total number of Resort Units and Resort Operation Units declared as part of the RV Resort.

The costs and expenses associated with Limited Common Elements will be shared by Owners in the same manner as that for costs and expenses associated with the Common Elements. The responsibility for maintenance, repairs, and replacements of Limited Common Elements appurtenant to Owners' Units, if any, will be with the Association at the expense of all Owners in accordance with the Owners' percentage interests.

EXHIBIT "E"

The initial copy of the RV Resort Rules and Regulations.

EXHIBIT "F"

The copy of the initial Shared Facilities Easement



SHARED FACILITIES EASEMENT

This Shared Facilities Easement ("Easement") is entered into this 17th day of AUGUST, 2007, by Bella Terra, LLC, an Alabama limited liability company ("Developer"), to the Bella Terra Gulf Shores RV Resort Condominium Association, Inc., ("Association"), for an easement for use and enjoyment of that certain Property (as defined below).

RECITALS

A. The Developer is the owner of that certain real property in Baldwin County, Alabama ("**Property**"), which is described in Exhibit "A" to this Easement; and

B. The Developer intends to create a condominium on the Property, which shall be called Bella Terra Gulf Shores RV Resort Condominium ("**RV Resort**"). This proposed RV Resort will include resort units that are intended for residential use and occupancy ("**Resort Units**") and resort operation units, which are units that are designated for other than residential use and occupancy ("**Resort Operation Units**"). A Condominium unit as defined in the Alabama Uniform Condominium Act of 1991, *Code of Alabama*, Section 35-8A-101 ("**Alabama Condominium Act**") and refers to that part of the RV Resort Property which is subject to exclusive ownership by one or more persons ("**Unit**"). Unless the context requires otherwise, any general reference to a Unit includes any Resort Unit or any Resort Operations Unit. Resort Operation Unit(s) ("**ROU(s)**") will be owned by the Developer, and is intended to contain certain shared facilities, as are defined in Section 2 below;

C. Developer will own all of the shared facilities as set forth on Exhibit "B" of this Easement, and Developer desires to grant to the Association and all unit owners of the proposed RV Resort ("**Unit Owners**") and their respective guests, invitees, tenants, agents, employees, licensees, and other permitted users of the RV Resort ("**Permitted Users**") the right to access and use the shared facilities subject to and in accordance with this Easement.

D. The Association desires to obtain for the Association and all Unit Owners of the proposed RV Resort and their Permitted Users, the right to access and use the shared facilities subject to and in accordance with this Easement.

E. In consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Developer grants and establishes certain non-exclusive easements as follows:

1. Recitals. The above recitals are true and correct and form a material part of this Easement.

2. Shared Facilities.

(a) Shared Facilities of ROU(s). The shared facilities of ROU(s) are depicted on Exhibit "B" attached to this Easement. The following components of the improvements will be deemed part of the shared facilities of ROU(s), whether or not graphically depicted as such on said Exhibit "B" (collectively, "**Shared Facilities**"): _

(1) the pool and pool deck, together with a license for reasonable pedestrian access thereto, as determined by Developer;

(2) the Grand Clubhouse, which contains various rooms and amenities including by way of example and not limitation, a movie viewing room, fitness center, business center, an entertainment room and a meeting room.

(3) Private Bath House Facilities;

(4) all parking;

(5) recreational facilities such as horseshoe pits, bocce ball, putting greens and tennis courts;

(6) any other improvements to be constructed upon ROU(s), as may be designated as Shared Facilities by the Developer.

Notwithstanding the designation of the above items as part of the Shared Facilities, Developer shall have the right to regulate the use thereof, including, without limitation, establishing hours of operation, closing off the areas for private parties or events, or designating certain services offered from those areas as a la carte (and with respect to any of same shall have the absolute right to retain for its own account any and all revenue generated therefrom).

(ii) The Shared Facilities shall be deemed part of ROU(s). Developer, shall have the right (but not the obligation), by an amendment to this Easement executed by Developer, or Developer's successors or assigns alone, to designate additional portions of ROU(s) and/or other Resort Operation Units as Shared Facilities under this Easement. Notwithstanding the designation of the Shared Facilities, Developer shall have the right, from time to time, to expand, alter, relocate and/or eliminate the portions of Resort Operation Units as deemed Shared Facilities, without requiring the consent or approval of the Association or any Owner, provided that any portions withdrawn are not, in the reasonable opinion of Developer essential to the structural integrity of the Resort Units, the provision of utilities and utility services to the Resort Units, and/or the provision of pedestrian access to and from the Resort Units and the adjoining public street (without in each instance the consent of the affected Owners). In furtherance of the foregoing, Developer also reserves the absolute right at any time, and from time to time, to construct additional facilities within ROU(s) and/or other Resort Operation Units and to determine whether same shall be deemed Shared Facilities. In case of ambiguity, the Exhibit "B" of this Easement controls in determining the boundaries of the exclusive use areas. It is expressly contemplated that persons other than Owners will be granted use rights in and to certain of the facilities within the Shared Facilities of the Resort Operation Units (such determination to be made in the sole and absolute discretion of Developer).

(b) Other Portions of ROU(s). Except as specifically provided in this Easement and all other areas set forth on Exhibit "B" as Shared Facilities, no other improvements, facilities, amenities, or areas in ROU(s) are subject to this Easement.

(c) Additional Facilities. Developer has the right, but not the obligation, in its sole, absolute, and unfettered discretion, to construct additional recreational and parking facilities in ROU(s) and other Resort Operation Units without the consent of the Permitted Users. Any such additional amenities, facilities and improvements constructed by Developer may or may not be subjected to this Easement. Developer does not make any representations regarding any possible additional recreational or parking facilities and is not obligated to construct or subject to this Easement any such facilities.

If any additional amenities, facilities or improvements are subjected to this Easement, Developer will provide notice of such addition to the Association, and the Developer will execute an amendment to this Easement providing for the same, which amendment shall be recorded in the Judge of Probate of Baldwin County, Alabama.

3. Access and Use of Facilities. Developer hereby grants to the Owners and Permitted Users, in accordance with this Easement, an easement to use the Shared Facilities and over such portions of ROU(s) and the Shared Facilities as are reasonably necessary for access to the Shared Facilities to, and for the use and enjoyment of, the same extent that the Shared Facilities are available to Permitted Users; provided, however, that

such access and rights shall only be available during any period of time that the applicable Resort Unit Owner or Permitted User is in residence at the RV Resort or otherwise has rights to use the RV Resort. The Easement is subject to any rules and regulations regarding access, use, and enjoyment as may be imposed by Developer from time to time, provided that they also apply to RV Resort guests and the following:

- (a) The right and duty of Developer to levy assessments against the Association for Shared Facilities Costs (as defined below) for the purpose of maintaining the Shared Facilities and any facilities located the Shared Facilities.
- (b) The right of the Association and/or Developer to suspend an Resort Unit Owner's or Permitted User's right to use the Shared Facilities for any period during which any assessment against that Owner's Unit remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of the RV Resort Documents or the rules and regulations of Developer.
- (c) The initial rules and regulations for the Shared Facilities shall be those found in the Declaration of Condominium for Bella Terra Condominium ("**Declaration**"). Developer reserves the right to adopt at any time, from time to time, and enforce rules and regulations governing the use of the Shared Facilities and all facilities located within the Shared Facilities, including the right to fine the Association and individual Unit Owners as provided in this Easement. Any rule and/or regulation so adopted by Developer shall apply until rescinded or modified as if originally set forth at length in this Declaration.
- (d) The right of Developer to permit such persons as Developer shall designate to use the Shared Facilities and all designated recreational and/or designated parking facilities located thereon.
- (e) The right of Developer to have, grant and use general and specific easements over, under and through the Shared Facilities.
- (f) The rights of Developer to withdraw portions of the Shared Facilities as provided in this Easement.
- (g) All other provisions and restrictions, to the extent that they do not conflict with this Easement.

The RV Resort will be developed and structured by Developer in such a manner to minimize the common elements. Most components which are typical "common elements" of a development of this nature will instead be designated in this Easement as part of ROU(s) and are hereby made Shared Facilities.

4. Ingress and Egress. A non-exclusive easement in favor of each Resort Unit Owner and Permitted User shall exist for (i) pedestrian traffic over, through and across such portions of ROU(s) as are designated by Developer in the Easement and intended to provide direct pedestrian access to and from the applicable Resort Unit and the public right-of-way adjacent to the RV Resort, and (ii) use and enjoyment of the Shared Facilities, subject to commercially reasonable regulation as may be established from time to time by Developer and subject to the other provisions of this Easement. Notwithstanding the foregoing, the aforesaid easement over ROU(s) is limited and solely for use of the Permitted Users to obtain access to and from their Unit(s). The provisions of this section may not be amended without an affirmative vote of a majority of all voting interests of all Unit Owners, and affirmative vote of Developer.

5. Construction; Maintenance.

(a) Developer (including its designees, agents, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter the RV Resort and take all action necessary or convenient for the purpose of completing the construction of any and all improvements upon any portion of ROU(s), or any part thereof and for repair, replacement and maintenance or warranty purposes or where the Developer, in its or their sole discretion, determines that it is required or desires to do so. All renovations,

replacements, repairs, removals, and alterations shall be in accordance with the "Resort Standard", as defined in Section 5(c) below.

(b) ROU(s). Developer, its assigns, or designees shall be responsible for the repair, replacement, improvement, maintenance, management, operation, and insurance of ROU(s), which shall be performed in a commercially reasonable manner as determined by the Developer (which determination shall be binding) but in all events in accordance with the Resort Standard, as defined in Section 5(c) below. All renovations, replacements, repairs, removals, and alterations shall be in accordance with the Resort Standard. In consideration of the reservation and grant of easement over ROU(s), as provided in this section, each Owner shall be obligated for payment of the expenses incurred by Developer in connection with such maintenance, repair, replacement, improvement, management, operation, and insurance, and shall be obligated to pay their proportionate share of all such expenses to Developer (either directly or through the Association).

Notwithstanding the duty of Developer to maintain and repair parts of the RV Resort, Developer shall not be liable to Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the RV Resort. Further, Developer shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Owners regardless of whether or not same shall have been approved by Developer pursuant to this Easement. Developer also shall not be liable to any Resort Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that Developer did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) Developer could not obtain such insurance at reasonable costs or upon reasonable terms.

(c) Resort Standard. The "**Resort Standard**" means the standard of quality for the maintenance, repair, replacement, improvements, renovation and overall appearance of the RV Resort existing from time to time. The Resort Standard shall mean the highest of the following standards: (i) the standard required to maintain and operate the RV Resort in a condition and a quality level no less than that which existed at the time that the RV Resort was initially created (ordinary wear and tear excepted), (ii) the standard required under the management agreement for the RV Resort ("**Management Agreement**"), (iii) or, the standard required for construction, maintenance, and operation under a resort management agreement (if any) or any franchise or license agreement entered into by and between the developer of the RV Resort, ROU(s) Owner, or the Association and a third party franchisor or licensor of a hotel or other hospitality brand, with respect to the use of any service marks and trademarks owned by or licensed to the Developer ("**Marks**").

6. Developer Easements.

(a) Maintenance and Repair Easement. A non-exclusive, perpetual easement is hereby reserved over and across each Unit and any appurtenances to each Unit for Developer (and the personnel, employees and/or contractors of Developer), for access and temporary encroachments by contractors and subcontractors (and the equipment and employees thereof) to the extent reasonably necessary to perform general and ongoing maintenance and repair work or replacement work to and with respect to the Shared Facilities; provided, however, (i) the rights granted under this Section shall be exercised in such a manner as to minimize the disruption of the enjoyment, use, and operation of each Unit; (ii) any access and encroachment activities permitted by this Section shall be completed as soon as reasonably possible; (iii) no easements are granted in this Section for the storage of materials or equipment in any Unit; and (iv) no access or encroachment is permitted within any Unit without prior permission (such approval not to be unreasonably withheld) by any Unit Owner.

(b) Encroachment Easements. A non-exclusive, perpetual easement is hereby reserved over and across each Unit and any appurtenances to each Unit for Developer (and the personnel, employees and/or contractors of Developer), for minor encroachments of improvements located in the Shared Facilities in, onto, through, or under any Unit, which encroachments do not interfere with the use and operation of that Unit, and that are created by the construction, reconstruction, renovation, settling, and shifting of such improvements.

(c) Telecommunications Easement. A non-exclusive, perpetual easement is hereby reserved over and across each Unit and any appurtenances to each Unit for Developer (and the personnel, employees

and/or contractors of Developer), for the location, erection, installation, maintenance, use, operation, repair, replacement or removal of telecommunications devices, including, but not limited to wires, cables, conduits, lines and other devices on, in or over the Shared Facilities; provided, however, (i) the rights granted under this Section shall be exercised in such a manner as to minimize the disruption of the enjoyment, use, and operation of any Unit; (ii) any access and repair, restoration, or replacement activities permitted under this Section shall be completed as soon as reasonably possible; (iii) no easements are granted under this Section for the storage of materials or equipment in any Unit; (iv) Developer shall provide the Unit Owner(s) in which access is required to perform the any work contemplated in this Section, with at least five (5) business days' written notice of its need to repair, restore, or replace all or any portion of the support structures, including a detailed explanation of the work to be performed and a schedule for the commencement and completion of such work; and (v) upon completion of its repair, restoration, or replacement work pursuant to this Section, Developer shall repair, restore, or replace any applicable portion of any Unit and the improvements therein to the same condition which existed prior to its entry pursuant to this Section.

(d) Emergency Access Easements. A non-exclusive, perpetual easement is hereby reserved over and across each Unit and any appurtenances to each Unit for Developer (and the personnel, employees and/or contractors of Developer), for emergency ingress, egress and access to the Shared Facilities, provided that the Developer shall use good faith efforts to limit any emergency ingress, egress and access to a Unit unless immediately necessary.

7. Maintenance and Assessments.

(a) Charges to Association; Lien. Each Owner of any Resort Unit or Resort Operations Unit, by acceptance of a deed or other conveyance of the Resort Unit or Resort Operations Unit, whether or not so expressed in such deed or other conveyance, will be deemed to covenant and agree, to pay to the Association, collecting on behalf of Developer, annual charges for the operation and insurance of, and for payment of a percentage of the cost of the Shared Facilities ("**Shared Facilities Costs**") including, but not limited to, the establishment of reasonable reserves for the replacement of the Shared Facilities and the furnishings and finishings thereof, capital improvement charges, special charges and all other charges referred to in this Easement or lawfully imposed by Developer in connection with the repair, replacement, improvement, maintenance, management, operation, and insurance of the Shared Facilities, all such Shared Facilities Costs shall be established and collected from time to time as provided in this Easement. Each Unit within the RV Resort will pay a percentage of the Shared Facilities Costs of the RV Resort on an equal fractional basis. This fractional interest is based on the total number of Units in the RV Resort at any given time. A Unit's share of the Shared Facilities Costs will always equal the one (1) Unit divided by the total number of the Units in the RV Resort at any given time.

(i) Lien Upon Units. All Shared Facilities Costs, together with such interest and costs of collection of charges as provided below, shall be a charge on the Association and shall be a continuing lien upon the Units in favor of the Association against which each such charge is made and upon all improvements thereon, from time to time existing. Each such charge, together with such interest on each charge and costs of collection of each charge will also be the obligation of the person and/or entity who/which is the Owner of such Units at the time when the charge fell due and all subsequent Unit Owners of that Unit until paid, except as otherwise provided in this Easement. Reference to charges shall be understood to include reference to any and all of charges whether or not specifically mentioned.

(ii) Proportionate Share. Each Unit shall be charged a "proportionate share" of the Shared Facilities Costs. The proportionate share for each Unit of the Shared Facilities Costs shall be as set forth in Section (7)(a) above. In addition to the regular maintenance and operation charges which may be levied under this Easement, Developer must collect reasonable reserves for the replacement of the Shared Facilities and the furnishings and finishings thereof and to levy special charges against the Association for a Unit Owner to the exclusion of other Unit Owners for the repair or replacement of damage to any portion of ROU(s) (including, without limitation, improvements, furnishings and finishings in ROU(s)) caused by the misuse, negligence or other action or inaction of a Unit Owner or that Unit's Permitted Users. Any such special charge shall be subject to all of the applicable provisions of this Section including, without limitation, lien filing and foreclosure procedures and late charges and interest.

(iii) Charges Due. Any special charge levied under this Easement shall be due within the time specified by Developer in the action imposing such charge. The annual Shared Facilities Costs provided for in this Section shall commence on the first day following the recordation of the Declaration and shall be applicable through December 31 of such year. Each subsequent annual charge will be imposed for the year beginning January 1 and ending December 31. The annual charges will be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by Developer (absent which determination they shall be payable monthly). The charge amount (and applicable installments) may be changed at any time by Developer from that originally stipulated or from any other charge that is in the future adopted by Developer. The original charge for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, at any appropriate time during the year), but the amount of any revised charge to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year. Developer shall fix the date of commencement and the amount of the charge against the Association for each charge period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Resort Units and charges applicable thereto which shall be kept in the office of Developer and shall be open to inspection by the Association. Written notice of the charge shall be sent to the Association twenty (20) days prior to payment of the first installment, except for special charges. In the event no such notice of the charges for a new charge period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for in this Easement.

(b) Effect of Non-Payment of Charge; the Personal Obligation; the Lien; Remedies of Developer. If the charges (or installments) provided for in this Easement are not paid by the Unit Owners to the Association on the date(s) when due (being the date(s) specified in this Easement or pursuant to this Easement), then such charges (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection of such charges, and become a continuing lien on the Unit and all improvements therein which shall bind such Resort Unit in the hands of the then Unit Owner, and such Unit Owner's heirs, personal representatives, successors and assigns. Except as provided in this Easement to the contrary, the personal obligation of a Unit Owner to pay such charge shall pass to such Resort Unit Owner's successors in title and recourse may be had against either or both. If any installment of a charge is not paid within ten (10) days after the due date will bear interest at the highest rate permitted by law from the date when due until unpaid. In addition, the Association may charge an administrative late fee for each delinquent installment in the amount of the greater of twenty-five dollars (\$25.00) or five percent (5%) of each delinquent installment. Each other installment thereafter coming due shall be subject to one late charge each as aforesaid) and the Association may bring an action at law against the Unit Owner(s) obligated to pay the same, may record a claim of lien (as evidence of its lien rights as provided for above) against the Unit on which the charges and late charges are unpaid and all improvements thereon, may foreclose the lien against the applicable Unit and all improvements thereon on which the charges and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such charges, late charges and interest secured by the lien, and in the event a judgment is obtained, such judgment may include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels. Failure of the Association (or any collecting entity) to send or deliver bills or notices of charges shall not relieve Unit Owners from their obligations under this Easement.

The Association shall have such other remedies for collection and enforcement of charges as may be permitted by applicable law and the RV Resort Documents. The Developer shall be entitled to all collection remedies at law or in equity, including, without limitation, those set forth in the Declaration, to collect the Shared Facilities Costs from the Association, including, without limitation, the right to terminate its maintenance of the Shared Facilities and/or to impose a lien upon the Association, Association Property or the Unit of any delinquent Owner. All remedies are intended to be, and shall be, cumulative. Notwithstanding anything to the contrary in this Easement, if Developer has elected to have the Association bill and collect the Shared Facilities Costs as part of the Common Expenses, the failure of any Unit Owner to pay his or her share of the Common Expenses shall not relieve the Association of its obligation to pay the entire amount of the Shared Facilities Costs. If Developer at any time withdraws its election to have the Association bill and collect the Shared Facilities Costs as part of the Common Expenses, Developer shall be entitled to all collection remedies at law or in equity, including, without limitation, those set forth in the Declaration, to collect the Shared Facilities Costs from the Unit Owners directly, including,

without limitation, the right to terminate its maintenance of the Shared Facilities and/or to impose a lien upon the Association, Association Property or the Unit of any delinquent Owner. Developer has initially elected to have the Association bill and collect the Shared Facilities Costs.

(c) Subordination of Lien. The lien of the charges provided for in this Section shall be subordinate to real property tax liens and the lien of any first mortgage; provided, however, that any such mortgage lender when in possession, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any charge coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid charge which cannot be collected as a lien against any Resort Unit by reason of the provisions of this Section shall be deemed to be a charge divided equally among, payable by and a lien against all Resort Units, including the Resort Units as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

(d) Curative Right. In the event (and only in the event) that Developer fails to maintain the Shared Facilities as required under this Easement for any reason other than failure to receive sufficient funds therefor from the Unit Owners, the Association shall have the right to perform such duties; provided, however, that same may only occur after sixty (60) days' prior written notice to Developer and provided that Developer has not effected curative action within the sixty (60) day period (or if the curative action cannot reasonably be completed within said sixty (60) day period, provided only that Developer has not commenced curative actions within said sixty (60) day period and thereafter diligently pursued same to completion). To the extent that the Association must undertake maintenance responsibilities as a result of Developer's failure to perform same, then in such event, but only for such remedial actions as may be necessary, the Association shall be deemed vested with the charge rights of Developer hereunder for the limited purpose of obtaining reimbursement from Developer for the costs of performing such remedial work.

(e) Financial Records.

(i) Developer shall maintain financial books and records showing its actual receipts and expenditures with respect to the maintenance, operation, repair, replacement, alteration and insurance of the Shared Facilities, including the then current shared facilities budget and any then proposed budget (the "**Shared Facilities Records**"). The Shared Facilities Records need not be audited or reviewed by a Certified Public Accountant. The Shared Facilities Records shall at all times, during reasonable business hours, be subject to the inspection of any member of the Association.

(ii) Developer shall be required to deliver a Shared Facilities Costs Budget ("**Budget**") to the Association at least 30 days before the estimated operating budget for the Association is due to be mailed to Owner in advance of the Board meeting to adopt the Association budget for the following year. The Budget must establish reserves as part of the budget for those shared facilities which if they were common elements, would be required to have reserves maintained by the *Alabama Code*, including by way of example and not limitation, roof, pool, and pavement resurfacing.

(f) Limitation Upon Liability of Developer. Notwithstanding the duty of Developer to maintain and repair the Shared Facilities, Developer shall not be liable to any other Owners (nor their guests, tenants or invitees) for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Shared Facilities. Further, Developer shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements or other activities done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by Developer. Developer also shall not be liable to any Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that Developer did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where: (i) such insurance is not required hereby; or (ii) Developer could not obtain such insurance at reasonable costs or upon reasonable terms.

(g) Ad Valorem Taxes for Shared Facilities. Any and all ad valorem real estate taxes assessed to the Owner of ROU(s) for the Shared Facilities may be included as part of the Shared Facilities Costs.

8. Operation of ROU(s) and the Shared Facilities.

(a) Operation of Shared Facilities. Developer is responsible for the management and operation of the Shared Facilities. Subject to its obligations under this Easement pertaining to the operation of the Shared Facilities, Developer may make the Shared Facilities available for use by guests, renters, and other property owners at other resorts in the vicinity of the RV Resort, to members of the general public, or to any other person in Developer's sole, absolute, and unfettered discretion. Nothing in this Easement is intended to prohibit or in any manner restrict Developer's ability to sell, transfer, convey, assign, lease, mortgage, encumber or otherwise dispose of any or all of its interest in ROU(s) to any person, subject to Section 15 and the rights of Permitted Users under this Easement. All or any portion of ROU(s) may be developed for any lawful purpose in accordance with this Easement and applicable law.

(b) Alteration; Removal; Replacement; Relocation. Notwithstanding anything in this Easement to the contrary, Developer may, at Developer's expense, alter, modify, rearrange, relocate, replace, or remove any Shared Facilities; provided, however, unless approved by Association, no such alteration, modification, rearrangement, relocation, or removal shall be conducted in such a manner that any affected Shared Facilities no longer provide substantially the same use, function, or experience as was provided to Permitted Users prior to such alteration, modification, rearrangement, relocation, or removal, as Developer determines in its sole, absolute, and unfettered discretion; provided, however, that any alteration or relocation of the easements granted under this Easement shall not cause a denial of access to or use of the Shared Facilities.

(c) Interruptions in Use. Notwithstanding the rights granted in this Easement, Developer shall have the right to temporarily close, or interrupt or suspend use of the Shared Facilities in order to maintain, repair, or replace the Shared Facilities. Additionally, Developer or its designees may temporarily designate from time to time certain areas of ROU(s), including the Shared Facilities, for Developer's exclusive use for special events, activities, functions, parties and programs. Notwithstanding anything in this Easement to the contrary, Developer shall not be liable for interruptions in the use of, or the unavailability of the Shared Facilities (a) by reason of equipment malfunction or failure, however caused, (b) in connection with maintenance, repair, or failure by suppliers to provide supplies; or (c) due to use of the Shared Facilities pursuant to Developer's rights in this Easement. Developer shall not be required to provide alternate recreational or other facilities to Permitted Users during any period that the Shared Facilities are closed or use of the Shared Facilities is interrupted or suspended. Developer shall not be required to operate and maintain the Shared Facilities at a level consistent with the Resort Standard which is established in the Declaration.

(d) Insurance. Developer shall maintain insurance as to the Shared Facilities to insure (i) against loss or damage caused by fire and other hazards normally covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to facilities similar in construction, location, and use as the Shared Facilities, including all perils normally covered by the standard "all risk" endorsement when available, including vandalism and malicious mischief, and (ii) public liability insurance, on an occurrence form basis, for injury to or death of persons and damage to or loss of property.

(e) Lawful Use. No Permitted Users shall act in any way which shall constitute a nuisance to Developer or other Permitted Users or interfere with the use of ROU(s) as a resort, condominium, or for residential or family recreational purposes, whichever use then shall be made of ROU(s). This provision is solely for the benefit of and may be enforced only by Developer. In addition to any other remedies which may be provided for in this Easement or by law, Developer shall have the right to deny use of the Shared Facilities to offending parties and shall have the right to injunctive relief and temporary and permanent restraining orders for the purpose of protecting its rights.

9. Amendment. Except as otherwise provided in this Easement, this Easement can be amended by the owner of ROU(s) without the consent of the other Unit Owners.

10. Insurance.

(a) Authority to Purchase; Named Insured. All insurance policies required to be purchased upon the Shared Facilities will be purchased by the Developer, or its assigns, from a fiscally responsible company authorized to do business in the State of Alabama and will have a minimum term of one year. The costs of such insurance policies shall be a Shared Facilities Cost. The named insured will be the owner of the Shared Facilities contained within ROU(s), the Association individually and as agent for the Owners, without naming them, and as agent for their respective Mortgagees. Notwithstanding the certain types of insurance required to be obtained pursuant to this Section, in obtaining insurance the Developer may consider such factors as availability and desirability of types of insurance and the market for insurance premiums in deciding which types of insurance and the amounts of coverage to obtain; provided, however, that in no event will the Association purchase less insurance (in terms of coverage or type) than is required by §35-8A-313, *Alabama Code*.

Provisions must be made for the issuance of Mortgagee endorsements and memoranda of insurance to the Mortgagees of Owners on request. Such policies must provide that payments by the insurer for losses must be made to the Owner of ROU(s), the Association or the Insurance Trustee designated below, and all policies and endorsements on such policies must be deposited with ROU(s) Owner, the Association or the Insurance Trustee. The Developer, the Association, Owners, and their tenants and guests, if any, each hereby releases the other to the extent of their respective insurance coverage, from any and all liability and any right of subrogation against the other for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of the other party, or any person under such other party.

(b) Personal Property of Owners. If desired, Owners may obtain insurance coverage on their personal property at their own expense and for their own personal liability and living expenses. Such insurance is not the responsibility of the Developer or the Association.

(c) Coverage. The Owner of ROU(s) shall maintain, to the extent reasonably available:

(1) Property insurance on the Shared Facilities insuring against all risks of direct physical loss commonly insured against or, in the case of a conversion building, against fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than the greater of eighty percent (80%) of the actual cash value of the insured property at the time the insurance is purchased or such greater percentage of such actual cash value as may be necessary to prevent the applicability of any co-insurance provision and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies; and

(2) Liability insurance, including medical payments insurance, in an amount determined by the Owner of ROU(s), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

11. Indemnification. Permitted Users shall use the Shared Facilities at their own risk and Developer shall not be liable for any loss, damage, security problem, casualty, injury, death, or any other liability except if such liability is directly caused by Developer's gross negligence or willful misconduct. Association shall indemnify and save harmless Developer from and against any such liability for damages, costs, and expenses, including reasonable attorneys' and paralegals' fees, from injury or death to any person or damage to any property in and about, or in connection with the Shared Facilities or in connection with the use of ROU(s) pursuant to this Easement from any cause whatsoever, caused by or occurring to Permitted Users, unless such loss or injury shall be caused by the gross negligence or willful and intentional misconduct of Developer.

12. Casualty, Condemnation, or Taking.

(a) Determination to Reconstruct or Repair. Subject to the immediately following paragraph, in the event of damage to or destruction of the Insured Property as a result of fire or other casualty, the RV Resort shall be repaired or replaced unless:

(1) The condominium is terminated, in which case section Section 35-8A-218, *Alabama Code* applies;

(2) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

(3) Eighty percent (80%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

If the entire RV Resort is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the RV Resort, (ii) except to the extent that other persons will be distributees under section 35-8A-205(a)(12)(ii), *Alabama Code*.

(i) The insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt must be distributed to the owners of those units and the owners of the units to which Limited Common Elements were allocated, or to lienholders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their interests may appear, in proportion to the Common Element interests of all the Units.

If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under section 35-8A-107(a), *Alabama Code*, and the Association promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

(b) Plans and Specifications. Any reconstruction or repair must be made substantially in accordance with the plans and specifications for the original improvements and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the Developer, provided, however, that if any reconstruction is undertaken, same shall be undertaken in such a manner to restore the Units to substantially the same condition they were in prior to the occurrence of the casualty.

(c) Assessments. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Owners by the Association (which shall be deemed to be assessments made in accordance with, and secured by the lien rights) in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to the Insured Property shall be in proportion to all of the Owners' respective allocated interests.

(d) Benefit of Mortgagees. Certain provisions in this Section are for the benefit of mortgagees of Units and may be enforced by any of them.

(e) Casualty. Should the Shared Facilities be destroyed by casualty or taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, or if a portion of the Shared Facilities shall be so taken or condemned that the portion remaining is not sufficient and suitable for any other use permitted by this Easement, as determined by Developer in its sole, absolute, and unfettered discretion, the use privileges associated with the destroyed Shared Facilities shall immediately be suspended until Developer repairs or rebuilds such Shared Facilities, or in the alternative, the use privileges associated with the destroyed Shared Facilities under this Easement shall be terminated in whole or in part should Developer affirmatively decide not to repair or rebuild all or a portion of the destroyed Shared Facilities, in its sole,

absolute, and unfettered discretion. Developer shall provide Association written notice of this decision. No Permitted User shall have any right to any insurance proceeds or condemnation award which may be made by reason of any taking of all or any part of the Shared Facilities or ROU(s). If there shall be any taking of the Shared Facilities, then Developer shall have the sole right to defend any such taking and to compromise and settle any award made, and the proceeds thereof shall be applied as determined by Developer in Developer's sole, absolute, and unfettered discretion.

(f) Taking of Shared Facilities. Awards for the taking of Shared Facilities shall be used to render the remaining portion of the Shared Facilities usable in the manner approved by Developer; provided, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the sole and absolute discretion of Developer. The balance of the awards for the taking of Shared Facilities, if any, shall be distributed to the Unit Owners in accordance with their allocated interests. Notwithstanding the foregoing, in the event that the costs of restoration resulting from any taking exceed \$1,000,000.00, then Developer shall have the sole right to determine whether or not to repair and/or restore in the same manner as is provided in the Declaration with respect to a casualty loss. If there is a mortgage on a Unit, the distribution shall be paid jointly to the Owner and the said mortgagees.

13. Remedies.

(a) Violations. In addition to Section 8 of this Easement, and any other remedies set forth in this Easement, the Developer and the Association shall have the right to enforce, by proceeding at law or in equity, whether in an action for damages, injunctive relief or both, all covenants, conditions, restrictions, reservations, easements, charges, and liens now or hereafter imposed under this Easement.

(b) Costs of Enforcement. Should the Developer or the Association find it necessary to employ an attorney or institute legal action against any Developer, the Association, or any Resort Unit Owner to enforce this Easement, the non-complying party shall pay all costs in connection with such action, including court costs and reasonable attorneys' fees and other professionals' fees for pretrial, trial, and appellate proceedings.

14. Force Majeure. If the performance by Developer, Resort Unit Owner, Permitted User or the Association obligated under this Easement (excluding monetary obligations) is limited, delayed, or prevented in whole or in part by applicable law or action adopted or taken by any federal, state, or local governmental authority and not attributable to an act or omission of such Developer, Resort Unit Owner, Permitted User or the Association, or by any acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation, or by any other cause not reasonably within such Developer's, Unit Owners', Permitted Users' or the Association's control, whether or not specifically mentioned in this Section, the Developer, Resort Unit Owner, Permitted User or the Association shall be excused, discharged, and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited, delayed, or prevented by such occurrence without liability of any kind.

15. Assignment.

(a) Developer. Developer shall have the right, in its sole, absolute, and unfettered discretion, at any time to transfer and assign to any person any or all rights, powers, easements, privileges, authorities, and reservations given to or reserved by Developer or any obligation imposed on Developer under this Easement, as to all or a portion of ROU(s). Such transfer or assignment shall be evidenced by a writing and recorded with the Judge of Probate of Baldwin County, Alabama, and specifically shall indicate Developer's transfer and assignment. Association shall execute any additional documents required to effectuate such assignment or transfer.

(b) Association. Association shall not have the right to assign any or all rights, powers, licenses, privileges, authorities, reservations of, or any obligation imposed on, Association or any other Permitted Users under this Easement.

16. Covenants Running with the Land; Termination. All rights, privileges, benefits, and burdens created in this Easement are covenants running with and appurtenant to the land, binding on and inuring to the benefit of the Owner of ROU(s) and the Unit Owners, respectively, and their respective successors in title; notwithstanding the foregoing, this Easement automatically will terminate if the Declaration is terminated.

17. Subordination of Interest.

(a) Subordination and Notice. At the time of the effective date of this Easement, there are no mortgages or other encumbrances on the Shared Facilities or ROU(s) except for that certain mortgage held by United Bank of Wisconsin. Developer agrees that pursuant to this Easement, so long as Association and other Permitted Users are not in default under the Easement, the rights of Permitted Users to access and use the Shared Facilities and ROU(s) as provided in this Easement ("**Rights**") are senior to Developer's ownership interest in ROU(s) ("**Interest**"), and Developer's Interest is subordinate to the Rights from and after the recordation of this Easement. All creditors of Developer with claims arising subsequent to the date of this Easement; all parties of any nature whatsoever claiming any interest in the Shared Facilities or ROU(s) by, through, under, or against Developer; and all successors and assigns of Developer are hereby given notice of the existence of the Rights, and all of their rights and claims with respect to the Shared Facilities and ROU(s) are hereby expressly made junior, inferior, and subordinate to the Rights so long as owners of Units in the RV Resort are not in default under their respective contracts for deeds for Units in the RV Resort ("**Purchase Contracts**"). Developer and all successors and assigns of Developer, and any person who acquires the Interest through foreclosure, deed in lieu of foreclosure, or otherwise, shall take such Interest subject to the Rights.

(b) Non-disturbance. Developer and any and all successors acquiring the Interest will not use or cause the Shared Facilities or ROU(s) to be used in a manner which would prevent Permitted Users from using and occupying the Shared Facilities or ROU(s) in a manner contemplated by this Easement, so long as Association and other Permitted Users are not in default under this Easement.

(c) Bankruptcy. This Easement shall be effective as between Developer, the Association, and other Permitted Users, despite any rejection or cancellation of this Easement as a result of bankruptcy proceedings involving Developer.

(d) Recognition of Rights. So long as Developer has any interest in the Shared Facilities or ROU(s), Developer will fully honor all the rights of Permitted Users in and to the Shared Facilities and will comply with all other requirements under *Code of Alabama*, and rules promulgated thereunder.

18. Notices. Unless otherwise specified in this Easement, all notices, demands, elections, requests, or other communications that the Developer, Unit Owners, the Association, or any other party may desire or be required to give under this Easement shall be in writing and shall be given by (a) hand delivery, (b) recognized overnight courier service providing confirmation of delivery, (c) facsimile, provided that a copy of such notice also is sent the same or following business day by recognized overnight courier service providing confirmation of delivery, or (d) e-mail, provided that a copy of such notice also is sent the same or following business day by recognized overnight courier service providing confirmation of delivery, addressed as follows:

(a) If to Developer, then to:

Bella Terra, LLC
6194 Gulf Shores Parkway
Gulf Shores, AL 36542

(b) If to Association, then to:

Bella Terra Condominium Association
At the address, fax and email (if any) of the
Association, as listed in the Articles of
Incorporation of the Association, when it is created.

Each Developer and the Association shall have the right to designate another address or change in address to another address in the United States by written notice to the others in the manner prescribed in this Easement and by filing notice of such change of address with the Clerk's Office, reciting in such filing that notice is given pursuant to this Easement and attaching to such notice a reference to the fact that it relates to this Easement. All notices given pursuant to this Section shall be deemed to have been given if (i) delivered by hand, on the date of delivery or on the date delivery was refused by the addressee as confirmed by the courier service, (ii) if delivered by overnight courier, on the date of delivery as established by the return receipt or courier service confirmation (or the date on which acceptance of delivery was refused by the addressee as confirmed by the return receipt or courier service), (iii) if delivered by facsimile, on the date of delivery as established by a facsimile transmission report from the sender's machine (or the date on which acceptance of facsimile was refused by the addressee, as confirmed by facsimile transmission report from the sender's machine indicating that the facsimile was sent to the correct number but failed), or (iv) if delivered by e-mail, on the date of delivery as established by a printed copy of the e-mail.

19. Professional Management. In order to discharge any additional duties or obligations imposed under this Easement, Developer, or such other persons or entities which are, from time to time, charged with or responsible for the operation, management and maintenance of the Shared Facilities may delegate all or any portion of such party's obligations to a professional management company, which may include a subsidiary or an affiliate of Developer. Costs for the employment of a professional management company may be included as part of the Shared Facilities Costs.

20. No Waiver. No delay or omission by the Developer, Owner, Permitted User or Association to exercise any right or remedy under this Easement on the default of the Developer, Owner, Permitted User or Association shall impair such exercise or shall be construed to be a waiver of such default. The failure, refusal, or waiver by any Developer, Owner or Permitted User of its right or remedy under this Easement shall not be construed as waiving such right or remedy on any other or subsequent default.

21. Severability. The unenforceability or invalidity of any provision of this Easement shall not render any other provision or provisions unenforceable or invalid.

22. Applicable Laws. This Easement shall be governed by, and construed in accordance with, the laws of the State of Alabama, including the statutory and governing conflicts of law.

23. Jurisdiction. The Circuit and District Courts of the Twenty Eighth (28th) Judicial Circuit, in and for Baldwin County, Alabama ("**Baldwin Courts**") will be the exclusive venue for any dispute, proceeding, suit or legal action concerning the interpretation, construction, validity, enforcement, performance of, or related in any way to, this Easement or any other agreement or instrument executed in connection with this Easement.

24. Time of the Essence. Time is of the essence as to all covenants, agreements, declarations, and easements under this Easement.

25. Matters to be in Writing. Except as specifically provided in this Easement, this Easement cannot be altered, amended, modified, terminated, or discharged except in writing signed by the party against whom enforcement of such alteration, amendment, modification, termination, or discharge is sought.

26. Designees. Developer and Association shall have the right to designate a specific person or persons to act on their behalf with respect to any matter with respect to this Easement. For purposes of this Easement, Association shall be deemed to be the agent of all Permitted Users and shall be the only representative to act for and on behalf of all Permitted Users for voting and other purposes with respect to this Easement; provided, however, that this designation shall not relieve any Permitted User from complying with the restrictions and conditions of Association with respect to this Easement or the restrictions and conditions of this Easement. Whenever Association gives its acknowledgement, consent, understanding, or agreement with respect to this Easement, such acknowledgement, consent, understanding, or agreement shall be deemed to also have been given by each Permitted User and shall be absolutely binding on all Permitted Users.

27. Successors and Assigns. This Easement shall be binding on and shall inure to the benefit of Developer and Association and their respective permitted successors and assigns.

28. Entire Easement and Merger. This Easement constitutes the entire understanding and agreement between the Parties concerning the subject matter of this Easement and incorporates and supersedes all prior agreements, discussions, and other communications concerning the subject matter of this Easement. All understandings between the Parties are merged into this Easement.

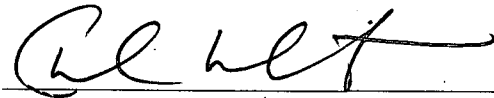
29. Conflict. In the event of conflict between this Easement, as amended from time to time, and any of the other covenants, restrictions or provisions of Declaration or the Articles of Incorporation of the Association, Bylaws of the Association, or rules and regulations of the RV Resort and/or Association all as amended from time to time, the provisions of this Easement shall supersede and control.

30. Relationship of the Parties. The Parties are separate entities and nothing in this Easement is intended to imply or suggest that the relationship between the Parties constitutes a joint venture or partnership.

IN WITNESS WHEREOF, this Easement has been duly executed as of the date first above written.

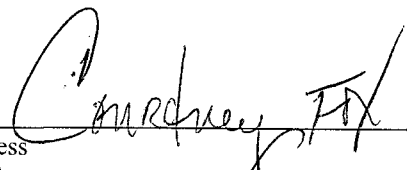
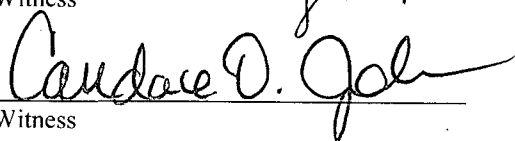
Developer:

BELLA TERRA, LLC

By: 

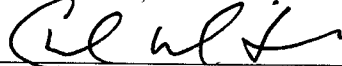
Print Name: CHARLES K. Smith

As its: MANAGER


Witness

Witness

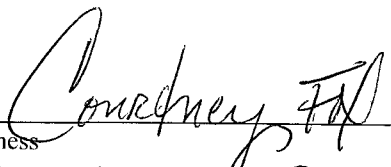
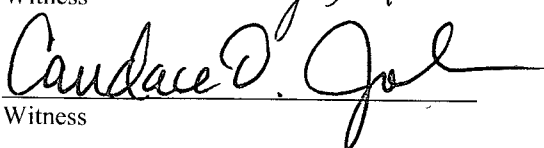
Association:

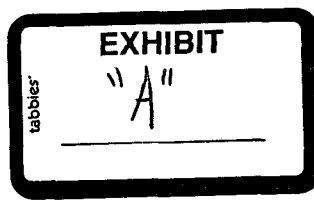
**BELLA TERRA GULF SHORES RV
RESORT CONDOMINIUM
ASSOCIATION, INC.**

By: 

Print Name: CHARLES K. Smith

As its: President


Witness

Witness



The Northeast Quarter of the Southwest Quarter of Section 15, Township 8 South, Range 4 East, Baldwin County, Alabama, being more particularly described as follows: Beginning at the Southeast corner of the Northeast Quarter of the Southwest Quarter of Section 15, Township 8 South, Range 4 East, Baldwin County, Alabama; thence run N89°44'19"W, 1328.83 feet to a point; thence run N00°00'04"W, 1261.59 feet to a point on the South right of way line of Brinks Willis Road; thence run S89°45'00"E, along said South right of way line 1328.82 feet to a point; thence run South 00°00'04"E, leaving said South right of way line 1261.85 feet to the point of beginning, containing 38.49 acres more or less.

EXHIBIT "B"

Shared Facilities of ROU(s)

