

Glenlakes Property Owners

Covenants, Conditions and Restrictions

MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GLENLAKES, A PLANNED RESIDENTIAL DEVELOPMENT

This MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("MASTER DECLARATION") is made this 19th day of May, 2000 by GLENLAKES REALTY CO., an Alabama General Partnership ("DECLARANT").

REC ITA LS:

1. DECLARANT is the OWNER of the real property located in BALDWIN COUNTY, ALABAMA described as follows, to-wit:

THE GARDENS AT GLENLAKES as per plat thereof recorded in the OFFICE OF THE JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA in ~~Slide 2007 E~~ and Slide .

THE GARDENS AT GLENLAKES is referred to in this MASTER DECLARATION as the "PROPERTIES" and is more specifically described in Section 1.32 of this MASTER DECLARATION.

2. DECLARANT intends by this MASTER DECLARATION to impose upon the PROPERTIES mutually beneficial restrictions under a general plan of improvement for the benefit of all OWNERS (as defined in this MASTER DECLARATION) of real property within the PROPERTIES. DECLARANT desires to provide a flexible and reasonable procedure for the overall development of the PROPERTIES, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such PROPERTIES as are now or hereafter subjected to this MASTER DECLARATION;

NOW, THEREFORE, DECLARANT declares that the PROPERTIES and any ADDITIONAL PROPERTY (as defined in this MASTER DECLARATION) as may by SUPPLEMENTAL

DECLARATION (as defined in this MASTER DECLARATION) be added to and subjected to this MASTER DECLARATION and the PROPERTIES shall be held, sold and conveyed or encumbered, rented, used, occupied and improved subject to this MASTER DECLARATION and the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the PROPERTIES and shall be binding on all parties having any right, title or interest in the PROPERTIES or any part of the PROPERTIES, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each OWNER of the PROPERTIES. This MASTER DECLARATION shall not apply to or affect any real property described on the CONCEPTUAL MASTER PLAN (as defined in this MASTER DECLARATION)except

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the PROPERTIES, unless said property is specifically made a part of the PROPERTIES as provided in this MASTER DECLARATION.

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ARTICLE I DEFINITIONS

The following words and terms in all capital letters, when used in this MASTER DECLARATION or any SUPPLEMENTAL DECLARATION (unless the context clearly shall indicate otherwise) shall have the following meanings:

Section 1.1 "ADDITIONAL PROPERTY" shall mean and refer to the ADDITIONAL PROPERTY which may be brought within the PROPERTIES by amendment to this MASTER DECLARATION or by SUPPLEMENTAL DECLARATION (as defined in this MASTER DECLARATION) as described in this MASTER DECLARATION.

Section 1.2 "ARCHITECTURAL COMMITTEE" shall mean and refer to the ARCHITECTURAL COMMITTEE described in ARTICLE of this MASTER DECLARATION.

Section 1.3 "AREA OF COMMON RESPONSIBILITY" shall mean and refer to the COMMON AREA, together with those areas, if any, which by the terms of this MASTER DECLARATION or by contract or agreement with any NEIGHBORHOOD (as defined in this MASTER DECLARATION), or any commercial business or association, any golf, sports or country club or any other entity become the responsibility of the MASTER ASSOCIATION. The office of any property manager employed by or contracting with the MASTER ASSOCIATION, if located on the PROPERTIES, or any public rights-of-way within or adjacent to the PROPERTIES, may be part of the AREA OF COMMON RESPONSIBILITY.

Section 1.4 "ARTICLES OF INCORPORATION" or "ARTICLES" shall mean and refer to the ARTICLES OF INCORPORATION of GLENLAKES MASTER ASSOCIATION, INC..

Section 1.5 "ASSESSMENT" or "BASE ASSESSMENT" shall mean and refer to any ASSESSMENT levied against the LOTS in the PROPERTIES to fund COMMON EXPENSES, as provided for in this MASTER DECLARATION.

Section 1.6 "BY-LAWS" shall mean and refer to the BY-LAWS of GLENLAKES MASTER ASSOCIATION, INC. as amended from time to time.

Section 1.7 "COMMON AREA" or "COMMON PROPERTY" shall mean and refer to any property, buildings, fixtures, facilities or other personal property now owned or otherwise acquired by the MASTER ASSOCIATION by purchase, gift, easement, lease or otherwise to be devoted to the common use and enjoyment of the OWNERS of the PROPERTIES.

Section 1.8 "COMMON EXPENSES" shall mean and include the actual and estimated expenses incurred by the MASTER ASSOCIATION for the general benefit of all LOT OWNERS, including any reasonable reserve, all as may be found to be necessary and appropriate by the BOARD OF DIRECTORS pursuant to this MASTER DECLARATION, the BY-LAWS and the ARTICLES OF INCORPORATION of the MASTER ASSOCIATION.

Section 1.9 "COMMUNITY-WIDE STANDARD" shall mean and refer to the standard of conduct, maintenance or other activity generally prevailing throughout the PROPERTIES. Such

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standard may be more specifically determined by the BOARD OF DIRECTORS and the ARCHITECTURAL COMMITTEE.

Section 1.10 "CONCEPTUAL MASTER PLAN" shall mean and refer to the plan for the development of the property described on the Plat of GLENLAKES, A PLANNED RESIDENTIAL DEVELOPMENT as approved by RESOLUTION NUMBER 98-81 by the BALDWIN COUNTY COMMISSION on the 17th day of August, 1999, as said CONCEPTUAL MASTER PLAN may be amended from time to time.

Section 1.11 "DECLARANT" shall mean and refer to GLENLAKES REALTY CO., an Alabama General Partnership or the successors, successors-in-title or assigns of DECLARANT who take title to any portion of the PROPERTIES (as defined in this MASTER DECLARATION) or to any portion of the property described on the CONCEPTUAL MASTER PLAN for the purpose of development and sale and are designated as DECLARANT in a recorded instrument executed by the immediately preceding DECLARANT.

Section 1.12 "ELIGIBLE MORTGAGE HOLDER" shall mean and refer to a holder, insurer or guarantor of a first (1st) MORTGAGE or a vendor's lien on a LOT who has requested notice of certain matters from the MASTER ASSOCIATION as provided in this MASTER DECLARATION and in the BY-LAWS.

Section 1.13 "EXCLUSIVE COMMON AREA" shall mean and refer to certain portions of the COMMON AREA within the PROPERTIES (as defined in this MASTER DECLARATION) which are for the exclusive use and benefit of one or more, but less than all, NEIGHBORHOODS (as defined in this MASTER DECLARATION). All costs associated with maintenance, repair, replacement and insurance of EXCLUSIVE COMMON AREAS shall be assessed against the OWNERS of LOTS in only those NEIGHBORHOODS (as defined in this MASTER DECLARATION) which are benefitted as a NEIGHBORHOOD ASSESSMENT (as defined in this MASTER DECLARATION). By way of illustration and not limitation, EXCLUSIVE COMMON

AREAS may include COMMON AREAS or recreational facilities intended for the exclusive use of OWNERS within a particular NEIGHBORHOOD or NEIGHBORHOODS (as defined in this MASTER DECLARATION) and supported exclusively by NEIGHBORHOOD ASSESSMENTS (as defined in this MASTER DECLARATION). Initially, any EXCLUSIVE COMMON AREAS shall be designated as such and the exclusive use of said EXCLUSIVE COMMON AREA shall be assigned in the deed conveying the COMMON AREA to the MASTER ASSOCIATION. A portion of the COMMON AREA may be assigned as EXCLUSIVE COMMON AREA of a particular NEIGHBORHOOD or NEIGHBORHOODS (as defined in this MASTER DECLARATION) and the EXCLUSIVE COMMON AREA may be reassigned upon the vote of a MAJORITY of the total MASTER ASSOCIATION vote, including a MAJORITY of the votes within the NEIGHBORHOOD(S) (as defined in this MASTER DECLARATION) to which they are assigned.

Section 1.14 "GENERAL COMMON AREA" shall mean all real and personal property which the MASTER ASSOCIATION owns or otherwise holds for the common use and enjoyment of all OWNERS.

Section 1.15 "GOLF CLUB" shall mean and refer to any land and facilities adjacent to or in the vicinity of the PROPERTIES (as defined in this MASTER DECLARATION) which is privately

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owned by third parties and described in ARTICLE XIX of this MASTER DECLARATION.

Section 1.16 "LAKE" shall mean and refer to that certain body of water described in ARTICLE XX of this MASTER DECLARATION.

Section 1.17 "LOT" shall mean and refer to any improved or unimproved plot, parcel or portion of land shown upon any recorded final subdivision plat of the PROPERTIES, with the exception of the COMMON PROPERTY and shall include, where the context may indicate, any improvement or fixture located on the LOT.

Section 1.18 "MAJORITY" shall mean and refer to those votes, OWNERS or other group as the context may indicate, totaling more than fifty percent (50%) of the total number.

Section 1.19 "MASTER ASSOCIATION" shall mean and GLENLAKES MASTER ASSOCIATION, INC., an Alabama Non-Profit Corporation, or the successors or assigns of said MASTER ASSOCIATION. The "BOARD OF DIRECTORS" shall mean and refer to the BOARD OF DIRECTORS of the MASTER ASSOCIATION. "DIRECTOR(S)" shall mean and refer to the individual member(s) of the BOARD OF DIRECTORS.

Section 1.20 "MEMBER" shall mean and refer to a PERSON who is an OWNER of a LOT in the PROPERTIES and who is entitled to membership in the MASTER ASSOCIATION, as provided in this MASTER DECLARATION.

Section 1.21 "MORTGAGE" shall mean and refer to a permanent or construction MORTGAGE or any other form of security deed, including any collateral security documents executed in connection therewith.

Section 1.22 "MORTGAGEE" shall mean and refer to a beneficiary or holder of a MORTGAGE.

Section 1.23 "MORTGAGOR" shall mean and refer to any PERSON who gives a MORTGAGE.

Section 1.24 "NEIGHBORHOOD" shall mean and refer to each separately developed and denominated area comprised of one (1) or more improvement types located within the PROPERTIES (as defined in this MASTER DECLARATION), whether or not governed by an additional owners association, in which OWNERS may have common interests other than those common to all MEMBERS of the MASTER ASSOCIATION, such as a common theme, development name and/or COMMON AREAS and facilities which are not available for use by all MEMBERS of the MASTER ASSOCIATION. Each parcel of land located within the PROPERTIES (as defined in this MASTER DECLARATION) and intended for development shall constitute a NEIGHBORHOOD, subject to division into more than one (1) NEIGHBORHOOD upon development. Where the context permits or requires, the term NEIGHBORHOOD shall also refer to the NEIGHBORHOOD COMMITTEE (established in accordance with the BY-LAWS) or NEIGHBORHOOD ASSOCIATION (as defined in this MASTER DECLARATION) having jurisdiction over the property within the NEIGHBORHOOD. NEIGHBORHOODS may be divided or combined in accordance with the terms and conditions of this MASTER DECLARATION. A

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NEIGHBORHOOD shall not be required to be equal in population and a NEIGHBORHOOD may be composed of non-contiguous property. DECLARANT may, at any time, and from time to time until DECLARANT has sold all of the LOTS in the PROPERTIES and all of the property described on the CONCEPTUAL MASTER PLAN establish and alter or re-establish the boundaries of a NEIGHBORHOOD.

Section 1.25 "NEIGHBORHOOD ASSESSMENT(S)" shall mean and refer to any ASSESSMENT levied against the LOTS in a particular NEIGHBORHOOD or NEIGHBORHOODS to fund NEIGHBORHOOD EXPENSES.

Any NEIGHBORHOOD ASSESSMENT shall be allocated and levied among or against all LOTS in the NEIGHBORHOOD benefitting from the services supported by said ASSESSMENT based on the proportionate share of the LOT in the COMMON EXPENSES as set out in the SUPPLEMENTAL DECLARATION (as defined in this MASTER DECLARATION) which submitted the NEIGHBORHOOD to the PROPERTIES (as defined in this MASTER DECLARATION).

Section 1.26 "NEIGHBORHOOD ASSOCIATION" shall mean and refer to the NEIGHBORHOOD ASSOCIATION described in ARTICLE V of this MASTER DECLARATION.

Section 1.27 "NEIGHBORHOOD COMMITTEE" shall mean and refer to the NEIGHBORHOOD COMMITTEE described in ARTICLE V of this MASTER DECLARATION.

Section 1.28 "NEIGHBORHOOD EXPENSES" shall mean and include the actual and estimated expenses incurred by the MASTER ASSOCIATION for the benefit of OWNERS of LOTS within a particular NEIGHBORHOOD which is part of the PROPERTIES (as defined in this MASTER DECLARATION), which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the BOARD OF DIRECTORS and as more particularly authorized in this MASTER DECLARATION.

Section 1.29 "OWNER" or "OWNERS" shall mean and one (1) or more PERSONS (as defined in this MASTER DECLARATION) who hold the record title to any LOT which is part of the PROPERTIES (as defined in this MASTER DECLARATION), but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a LOT is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee OWNER) will be considered the OWNER. If a LOT is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the Lease with the BOARD OF DIRECTORS the lessee (rather than the fee OWNER) will be considered the OWNER.

Section 1.30 "PARCEL DEVELOPER" shall mean and refer to any developer who purchases land within the PROPERTIES (as defined in this MASTER DECLARATION) for the purpose of development and sale.

Section 1.31 "PERSON" shall mean and refer to a natural person, a corporation, a partnership, a trustee or other legal entity.

Section 1.32 "PROPERTIES" shall mean and refer to the real property described on Page 1 of this MASTER DECLARATION together with such ADDITIONAL PROPERTY which is subjected to this MASTER DECLARATION by SUPPLEMENTAL DECLARATION. Fee simple title to any other real property described on the CONCEPTUAL MASTER PLAN (except the property described on the Plat of THE GARDENS AT GLENLAKES) is not part of the PROPERTIES unless said property is specifically made a part of the PROPERTIES as provided in this MASTER DECLARATION. By way of emphasis and not limitation, the PROPERTIES does not include the GOLF CLUB (as described in ARTICLE of this MASTER DECLARATION) nor the LAKE (as described in ARTICLE XX of this MASTER DECLARATION).

Section 1.33 "RULES AND REGULATIONS" shall mean and refer to the RULES AND REGULATIONS adopted by the DECLARANT, the MASTER ASSOCIATION or the ARCHITECTURAL COMMITTEE as provided for in this MASTER DECLARATION.

Section 1.34 "SPECIAL ASSESSMENT" shall mean and refer to the SPECIAL ASSESSMENT levied against the LOTS in the PROPERTIES to fund COMMON EXPENSES, as provided for in this MASTER DECLARATION.

Section 1.35 "SUPPLEMENTAL DECLARATION" shall and refertoan amendment or supplement to this MASTER DECLARATION which subjects ADDITIONAL PROPERTY to this MASTER DECLARATION or imposes, expressly or by reference, additional restrictions and obligations on the land described in said amendment or supplement, or both.

Section 1.36 "VOTING MEMBER" shall mean and refer to the representative selected by the MEMBERS of each NEIGHBORHOOD to be responsible for casting all votes attributable to LOTS in the NEIGHBORHOOD on all MASTER ASSOCIATION matters requiring a membership vote, including, but not limited to, the election of DIRECTORS to the BOARD OF DIRECTORS of the MASTER ASSOCIATION, amending this MASTER DECLARATION or the BY-LAWS and all other matters provided for in this MASTER DECLARATION and in the BY-LAWS. The VOTING MEMBER from each NEIGHBORHOOD shall be the senior elected officer (e.g., NEIGHBORHOOD COMMITTEE chairman or NEIGHBORHOOD ASSOCIATION president) from that NEIGHBORHOOD; the alternate VOTING MEMBER shall be the next most senior officer.

Section 1.37 "WETLAND AREA" shall mean and refer to the WETLAND AREA so designated by any governmental agency authorized to identify wetlands pursuant to Federal or State Statute or regulation.

ARTICLE II

MUTUALITY OF BENEFIT AND OBLIGATION

This MASTER DECLARATION is made for the mutual and reciprocal benefit of each and every part of the PROPERTIES and is intended to create mutual, equitable servitudes upon the PROPERTIES to create reciprocal rights between the respective OWNERS and future OWNERS of

the PROPERTIES, and to create a privity of contract and estate between the grantees of the PROPERTIES, their heirs, successors and assigns.

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ARTICLE III

ZONING AND SPECIFIC RESTRICTIONS

This MASTER DECLARATION shall not be taken as permitting any action or thing prohibited by the applicable laws, or the laws, rules or regulations of any governmental authority, or by specific covenants or restrictions imposed by any DEED or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, DEEDS, leases, covenants, restrictions or this MASTER DECLARATION shall be taken to govern and control.

ARTICLE IV

PROPERTY RIGHTS AND EASEMENTS

Section 4.1 GENERAL. Except as provided in this MASTER DECLARATION, every OWNER shall have a right and non-exclusive easement of enjoyment in and to the COMMON AREA. Any OWNER may delegate the right of enjoyment of said OWNER to the members of the family and tenants of the MEMBER and social invitees, as applicable, subject to reasonable regulation by the BOARD OF DIRECTORS and in accordance with procedures the BOARD OF DIRECTORS may adopt. An OWNER who leases the LOT of an OWNER shall be deemed to have delegated all such rights to the lessee of a LOT.

The right and non-exclusive easement of enjoyment given to every OWNER as described in this MASTER DECLARATION is subject to the following:

- A. The rights reserved to DECLARANT provided for in this MASTER DECLARATION.
- B. Restrictions and limitations contained in any deed conveying the COMMON AREA to the MASTER ASSOCIATION.
- c. The right of the MASTER ASSOCIATION to charge reasonable admission and other fees for the use and maintenance of the COMMON AREA and to impose reasonable limits on the number of guests who may use the COMMON AREA.
- D. The right of the MASTER ASSOCIATION, in addition to the other rights set forth in this MASTER DECLARATION, to suspend the voting rights of an OWNER and the right to use any of the COMMON AREA for any period during which any ASSESSMENT against that OWNER'S LOT remains unpaid, and for any infraction by an OWNER of the published RULES

AND REGULATIONS of the MASTER ASSOCIATION after hearing by the BOARD OF DIRECTORS of the MASTER ASSOCIATION for the duration of the infraction and for an additional period not to exceed thirty (30) days.

E. The right of DECLARANT, with regard to the PROPERTIES which may be owned for the purpose of development, to grant easements in and to the COMMON AREA to any public agency, authority or utility for such purposes as DECLARANT deems appropriate.

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F. The right of the MASTER ASSOCIATION to borrow money for the purpose of improving the COMMON PROPERTY, or any portion of the COMMON PROPERTY, for acquiring additional COMMON PROPERTY, or for constructing, repairing or improving any facilities located on the PROPERTIES, and to give as security for the payment of any such loan a MORTGAGE conveying all or any portion of the COMMON PROPERTY, provided two-thirds (2/3) of the total votes of VOTING MEMBERS of the MASTER ASSOCIATION present at a meeting duly called for such purpose shall approve. PROVIDED, HOWEVER, the lien and encumbrance of any such MORTGAGE given by the MASTER ASSOCIATION shall be subject and subordinate to any and all rights, interests, options, easements and privileges reserved or established in this MASTER DECLARATION for the benefit of DECLARANT or any OWNER, or the holder of any MORTGAGE, irrespective of when executed, given by DECLARANT or any OWNER encumbering any LOT or other property located within the PROPERTIES.

G. The right of the MASTER ASSOCIATION or DECLARANT to dedicate or transfer all or any part of the COMMON AREA to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS. Except as provided in this MASTER DECLARATION, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds (2/3) of the total votes of VOTING MEMBERS of the MASTER ASSOCIATION present at a meeting duly called for such purpose shall approve. PROVIDED, HOWEVER, so long as DECLARANT owns any LOT in the PROPERTIES, or any property in the PROPERTIES, or any property described on the CONCEPTUAL MASTER PLAN no dedication or transfer need be approved by two-thirds (2/3) of the total votes entitled to be cast by VOTING MEMBERS of the MASTER ASSOCIATION.

H. The parking of automobiles in the designated area within the COMMON AREA is restricted to OWNERS and guests, invitees and tenants of OWNERS and shall not interfere with the rights of ingress and egress of the OWNER of any particular LOT.

I. The right of the MASTER ASSOCIATION to adopt and promulgate reasonable RULES AND REGULATIONS pertaining to the use of the PROPERTIES, which, in the discretion of the MASTER ASSOCIATION, shall serve to promote the best interests of the OWNERS and residents in the PROPERTIES.

J. The right of DECLARANT to add ADDITIONAL PROPERTY to the PROPERTIES as provided for in this MASTER DECLARATION.

K. The right of DECLARANT to amend this MASTER DECLARATION unilaterally at any time so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN, without prior notice and without the consent of any PERSON.

L. Access to the GOLF CLUB, LAKE and any property not made a part of the PROPERTIES is strictly subject to the rules and procedures established by the respective owners of the GOLF CLUB, LAKE and the property not made a part of the PROPERTIES. No OWNER or occupant gains any right to enter or to use the GOLF CLUB, LAKE or property not made a part of the PROPERTIES by virtue of ownership or occupancy of a LOT.

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Section 4.2 RESERVED EASEMENT FOR DECLARANT. Notwithstanding any provisions contained in this MASTER DECLARATION to the contrary, DECLARANT expressly reserves unto DECLARANT and the successors and assigns of DECLARANT a non-exclusive, perpetual right, privilege and blanket easement with respect to the PROPERTIES and the COMMON AREA, for the benefit of DECLARANT, the successors and assigns of DECLARANT, and for the benefit of any part of the PROPERTIES or any LOT or any property described on the CONCEPTUAL MASTER PLAN over, under, in and/or on any LOT or any part of the PROPERTIES, COMMON PROPERTY or any property described on the CONCEPTUAL MASTER PLAN without further obligation and without charge to DECLARANT, for the purposes of ingress, egress, utilities and including but not limited to construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment and/or otherwise dealing with any part of the PROPERTIES, COMMON PROPERTY or any other property described on the CONCEPTUAL MASTER PLAN or any other property adjoining the PROPERTIES. The reserved easement shall constitute a burden on the title to the PROPERTIES, the COMMON PROPERTY, any property described on the CONCEPTUAL MASTER PLAN and specifically includes but is not limited to:

A.The right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in any LOT or any part of the PROPERTIES, the COMMON PROPERTY or any property described on the CONCEPTUAL MASTER PLAN, and the right to tie into any LOT or any portion of the PROPERTIES, or COMMON PROPERTY or property described on the CONCEPTUAL MASTER PLAN with roadways (public or private), driveways, parking areas and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, cable television, natural gas, water, sewer and

drainage lines and facilities constructed or installed in, on, under and/or over any LOT or any property in the PROPERTIES, or COMMON PROPERTY or property described on the CONCEPTUAL MASTER PLAN.

B. The right to construct, install, replace, relocate, maintain, repair, use and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of DECLARANT, may be required, convenient or incidental to the construction and sale by DECLARANT of the improvements in or on any LOT or any part of the PROPERTIES, COMMON PROPERTY or any property described on the CONCEPTUAL MASTER PLAN.

c. No rights, privileges and easements granted or reserved in this MASTER DECLARATION shall be merged into the title of any property, including, without limitation, any LOT or any part of the PROPERTIES, or COMMON PROPERTY or property described on the CONCEPTUAL MASTER PLAN, but shall be held independent of such title, and no such right, privilege or easement shall be surrendered, conveyed or released unless and until and except by delivery of a quitclaim deed from DECLARANT releasing such right, privilege or easement by express reference to said right, privilege or easement.

so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN, no PERSON or entity shall record any declaration of covenants, conditions and restrictions or similar instrument affecting any portion of any LOT or any part of the PROPERTIES, or COMMON PROPERTY, or property described on the CONCEPTUAL MASTER PLAN, without the

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review and written consent thereof by DECLARANT, and any attempted recordation without compliance with this MASTER DECLARATION shall result in such declaration of covenants, conditions and restrictions or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by DECLARANT.

This MASTER DECLARATION may not be amended without the express written consent of DECLARANT so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN.

ARTICLE V MASTER ASSOCIATION

Section 5.1 MASTER ASSOCIATION. The operation and administration of the PROPERTIES shall be by the MASTER ASSOCIATION. The MASTER ASSOCIATION shall be a Not-for-Profit Alabama Corporation incorporated by ARTICLES OF INCORPORATION recorded in the OFFICE OF THE JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA. The MASTER ASSOCIATION shall be an

entity which shall have the capability of bringing suit and being sued with respect to the exercise or non-exercise of the powers of the MASTER ASSOCIATION. The MASTER ASSOCIATION shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of LOT OWNERS of the PROPERTIES with reference to the COMMON AREA and COMMON PROPERTY and with reference to any and all other matters in which all of the LOT OWNERS have a common interest. The MASTER ASSOCIATION shall have all the powers and duties granted to or imposed on the MASTER ASSOCIATION under the ARTICLES OF INCORPORATION and BY-LAWS and under this MASTER DECLARATION as they may be amended from time to time. The MASTER ASSOCIATION is specifically authorized to enter into agreements by which the powers and duties of the MASTER ASSOCIATION, or some of them, may be exercised or performed by some other PERSON or PERSONS. The MASTER ASSOCIATION shall have the right to grant permits, licenses and easements over the COMMON AREAS for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the PROPERTIES. The BOARD OF DIRECTORS of the MASTER ASSOCIATION shall have the authority and duty to levy and enforce the collection of general and specific ASSESSMENTS as provided for in this MASTER DECLARATION and is further authorized to provide adequate remedies for failure to pay such ASSESSMENTS.

Section 5.2 MEMBERSHIP. Each LOT OWNER shall be a MEMBER of the MASTER ASSOCIATION so long as said MEMBER is a LOT OWNER. The membership of a LOT OWNER shall immediately terminate when the LOT OWNER ceases to be a LOT OWNER. The membership of a LOT OWNER cannot be assigned or transferred in any manner except as an appurtenance to said LOT.

No OWNER, whether one (1) or more PERSONS, shall have more than one (1) membership per LOT owned. In the event the OWNER of a LOT is more than one (1) PERSON, votes and rights of use and enjoyment shall be as provided in this MASTER DECLARATION. The rights and privileges of membership may be exercised by a MEMBER, subject to the provisions of this MASTER DECLARATION and the BY-LAWS. The membership

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rights of a LOT owned by a corporation, partnership, limited liability company or other entity shall be exercised by the individual designated from time to time by the OWNER in a written instrument provided to the BOARD OF DIRECTORS of the MASTER ASSOCIATION, subject to the provisions of this MASTER DECLARATION and the BY-LAWS.

Section 5.3 VOTING. Except as provided in this MASTER DECLARATION or any amendment to this MASTER DECLARATION or in any SUPPLEMENTAL DECLARATION, each LOT shall be entitled to one (1) vote in the MASTER ASSOCIATION, which vote is not divisible. There shall be only one (1) vote per LOT in the MASTER ASSOCIATION unless otherwise specified in this MASTER DECLARATION or any amendment to this MASTER DECLARATION or in any SUPPLEMENTAL DECLARATION or the BY-LAWS. The vote in the MASTER ASSOCIATION for each LOT shall be exercised by the VOTING MEMBER representing the NEIGHBORHOOD of which the LOT is a part. The vote shall be cast by the VOTING MEMBER in the manner provided for in this MASTER DECLARATION and in the BY-LAWS. PROVIDED, HOWEVER, until DECLARANT has sold all of the LOTS in the PROPERTIES, and has sold all of the property in the PROPERTIES, and has sold all of the

property described on the CONCEPTUAL MASTER PLAN, or until DECLARANT elects to terminate the control of the MASTER ASSOCIATION, whichever shall first occur, the LOT OWNER and VOTING MEMBER shall not be entitled to vote and the BY-LAWS and rules adopted by DECLARANT shall govern and there shall be no meeting of the MEMBERS of the MASTER ASSOCIATION, unless a meeting is called by the BOARD OF DIRECTORS of the MASTER ASSOCIATION, and neither the LOT OWNERS nor the MASTER ASSOCIATION, nor the use of the PROPERTIES by LOT occupants shall interfere with the completion of the contemplated improvements and the sale of the LOTS, and the control of the ARCHITECTURAL COMMITTEE shall remain with DECLARANT. DECLARANT may make such use of the unsold LOTS and of the COMMON AREAS and facilities as may facilitate such completion and sale, including, but not limited to, showing of the PROPERTIES and the display of signs.

Section 5.4 ASSIGNMENT. The share of the MEMBER in the funds and assets of the MASTER ASSOCIATION cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to said LOT.

Section 5.5 BOARD OF DIRECTORS. The affairs of the MASTER ASSOCIATION shall be conducted by the BOARD OF DIRECTORS which shall consist of such number as shall, from time to time, be determined and fixed by a MAJORITY of the voting rights present at any annual or special meeting of the MEMBERS. The MASTER ASSOCIATION shall have the right to amend the BY-LAWS for the purposes of changing the number of members on the BOARD OF DIRECTORS.

Section 5.6 BY-LAWS. The MASTER ASSOCIATION and the MEMBERS shall be governed by the BY-LAWS which shall be adopted by the VOTING MEMBERS.

Section 5.7 AVAILABILITY OF RECORDS. The MASTER ASSOCIATION shall make available to LOT OWNERS in the PROPERTIES, prospective purchasers, ELIGIBLE MORTGAGE HOLDERS of MORTGAGES on any LOT in the PROPERTIES, current copies of this MASTER DECLARATION, the BY-LAWS, RULES AND REGULATIONS and other books, records, financial statements and the most recent annual audited or unaudited financial statement of the MASTER

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ASSOCIATION, if such audited or unaudited financial statement is prepared. "AVAILABLE" shall mean available for inspection upon request, during normal business hours or under reasonable circumstances.

Section 5.8 INDEMNIFICATION. The MASTER ASSOCIATION shall indemnify every officer and member of the BOARD OF DIRECTORS against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer or member of the BOARD OF DIRECTORS in connection with any action, suit or other proceeding (including settlement of any suit or proceedings, if approved by the BOARD OF DIRECTORS) to which said member of the BOARD OF DIRECTORS may be a party by reason of being or having been an officer or member of the BOARD OF DIRECTORS. The officers and members of the BOARD OF DIRECTORS shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the BOARD OF DIRECTORS shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the MASTER ASSOCIATION (except to the extent that such officers or members of the BOARD OF DIRECTORS may also be the MEMBERS), and the MASTER ASSOCIATION shall indemnify and forever hold each such officer and member of the BOARD OF DIRECTORS free and harmless against any and all liability to others on account of any such contract or commitment, and any right to indemnification provided for in this MASTER DECLARATION shall not be exclusive of any other rights to which any officer or member of the BOARD OF DIRECTORS or former officer or member of the BOARD OF DIRECTORS may be entitled. The MASTER ASSOCIATION shall maintain adequate general liability and officers and directors liability insurance to fund this obligation, if such coverage is reasonably obtainable.

Section 5.9 RESERVE FUND. The MASTER ASSOCIATION shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the COMMON AREAS. The fund shall be maintained out of regular ASSESSMENTS for the COMMON EXPENSES.

Section 5.10 NEIGHBORHOODS. Every LOT in the 'PROPERTIES shall be located within a NEIGHBORHOOD. The LOTS within a particular NEIGHBORHOOD may be subject to additional covenants and/or the LOT OWNERS may all be members of a NEIGHBORHOOD ASSOCIATION in addition to the MASTER ASSOCIATION, but no such NEIGHBORHOOD ASSOCIATION shall be required. Any NEIGHBORHOOD which does not have a NEIGHBORHOOD ASSOCIATION shall elect a NEIGHBORHOOD COMMITTEE, as described in the BY-LAWS, to represent the interests of OWNERS of LOTS in such NEIGHBORHOOD.

Each NEIGHBORHOOD ASSOCIATION or NEIGHBORHOOD COMMITTEE, upon the affirmative vote, written consent, or a combination thereof, of a MAJORITY of OWNERS within the NEIGHBORHOOD, may request that the MASTER ASSOCIATION provide a higher level of service or special services for the benefit of LOTS in such NEIGHBORHOOD, the cost of which shall be an ASSESSMENT against the benefitted LOTS as a NEIGHBORHOOD ASSESSMENT pursuant to this MASTER DECLARATION.

The senior elected officer of each NEIGHBORHOOD ASSOCIATION or each NEIGHBORHOOD COMMITTEE shall serve as the VOTING MEMBER for such NEIGHBORHOOD and shall cast all votes in the MASTER ASSOCIATION attributable to LOTS in the

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NEIGHBORHOOD on all MASTER ASSOCIATION matters requiring membership vote, unless otherwise specified in this MASTER DECLARATION or the BY-LAWS. The VOTING MEMBER may cast all such votes as said VOTING MEMBER deems appropriate. Notwithstanding any other provision contained in this MASTER DECLARATION, each VOTING MEMBER shall cast only one (1) vote for election of DIRECTORS.

Initially, that portion designated on the CONCEPTUAL MASTER PLAN as THE GARDENS AT GLENLAKES shall constitute a NEIGHBORHOOD. The PARCEL DEVELOPER of any such NEIGHBORHOOD may apply to the BOARD OF DIRECTORS to divide the parcel constituting the NEIGHBORHOOD into more than one (1) NEIGHBORHOOD or to combine two (2) NEIGHBORHOODS into one (1) NEIGHBORHOOD at any time. Upon a petition signed by a MAJORITY of the LOT OWNERS in the NEIGHBORHOOD, any NEIGHBORHOOD ASSOCIATION or NEIGHBORHOOD COMMITTEE may also apply to the BOARD OF DIRECTORS to divide the property comprising the NEIGHBORHOOD into two (2) or more NEIGHBORHOODS or to combine two (2) NEIGHBORHOODS into one (1) NEIGHBORHOOD. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed NEIGHBORHOODS. A NEIGHBORHOOD division requested by the NEIGHBORHOOD or by the PARCEL DEVELOPER of the NEIGHBORHOOD must be approved in writing by DECLARANT so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN and thereafter by the MASTER ASSOCIATION. DECLARANT or the BOARD OF DIRECTORS may deny an application.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF MASTER ASSOCIATION

Section 6.1 COMMON AREA. The MASTERASSOCIATION, subject to the rights of the OWNERS set forth in this MASTER DECLARATION, shall be responsible for the exclusive management and control of the COMMON AREA and all improvements on the COMMON AREA (including, without limitation, furnishings and equipment related thereto and common landscaped areas) and shall keep the COMMON AREA in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions of this MASTER DECLARATION and consistent with the COMMUNITY-WIDE STANDARD.

Section 6.2 PERSONAL PROPERTY AND REAL PROPERTY FOR COMMON USE. The MASTER ASSOCIATION, through action of the BOARD OF DIRECTORS, may acquire, hold and dispose of

tangible and intangible personal property and real property. The BOARD OF DIRECTORS, acting on behalf of the MASTER ASSOCIATION, shall accept any real or personal property, leasehold or other property interests within the PROPERTIES conveyed to the MASTER ASSOCIATION by DECLARANT.

Section 6.3 RULES AND REGULATIONS. The DECLARANT and the MASTER ASSOCIATION, through the BOARD OF DIRECTORS, may make and enforce reasonable RULES AND REGULATIONS governing the use of the PROPERTIES, which RULES AND REGULATIONS shall be consistent with the rights and duties established by this MASTER DECLARATION. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the COMMON AREA. The BOARD OF DIRECTORS shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the BY-LAWS of the MASTER ASSOCIATION.

The MASTER ASSOCIATION, through the BOARD OF DIRECTORS, by contract or other agreement, shall have the right to enforce city or county ordinances or permit said City or County to enforce ordinances on the PROPERTIES for the benefit of the MASTER ASSOCIATION and the MEMBERS.

Section 6.4 IMPLIED RIGHTS. The MASTER ASSOCIATION may exercise any other right or privilege given to the MASTER ASSOCIATION expressly by this MASTER DECLARATION or the BY-LAWS and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the MASTER ASSOCIATION as provided in this MASTER DECLARATION or reasonably necessary to effectuate any such right or privilege.

Section 6.5 SELF-HELP. In addition to any other remedies provided for in this MASTER DECLARATION, the MASTER ASSOCIATION, or the duly authorized agent of the MASTER ASSOCIATION, shall have power to enter upon a LOT in the PROPERTIES or any portion of the COMMON PROPERTY to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this MASTER DECLARATION, the BY-LAWS, the RULES AND REGULATIONS enacted by the MASTER ASSOCIATION or the use restrictions. Unless an emergency situation exists, the BOARD OF DIRECTORS shall give the violating LOT OWNER ten (10) days' written notice of the intent of the BOARD OF DIRECTORS to exercise self-help. All costs of self-help including reasonable attorney's fees actually incurred shall be assessed by the MASTER ASSOCIATION against the violating LOT OWNER and shall be collected as provided in this MASTER DECLARATION for the collection of the ASSESSMENTS.

Section 6.6 RIGHT OF ENTRY. The MASTER ASSOCIATION shall have the right, but not the obligation, to enter into any LOT in the PROPERTIES for emergency, security and safety, which right may be exercised by the BOARD OF DIRECTORS of the MASTER ASSOCIATION, officers, agents, employees, managers and all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the OWNER. This right of entry shall include the right of the MASTER ASSOCIATION to enter a LOT in the PROPERTIES to cure any condition which may increase the possibility of a fire or other hazard in the event an OWNER fails or refuses to cure the condition upon request by the BOARD OF DIRECTORS.

Section 6.7 GOVERNMENTAL INTERESTS. The MASTER ASSOCIATION shall permit DECLARANT reasonable authority to designate sites within the PROPERTIES for fire, police, water and sewer facilities.

ARTICLE VII COVENANTS FOR MAINTENANCE

Section 7.1 RESPONSIBILITY OF MASTER ASSOCIATION. The MASTER ASSOCIATION shall maintain and keep in good repair the AREA OF COMMON RESPONSIBILITY, such maintenance to be funded as provided by this MASTER DECLARATION. This maintenance shall include, but need not be limited to, maintenance, repair and replacement subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the COMMON AREAS, including, but not limited to, drainage systems, recreation and open space, estuarine systems, utilities, traffic control devices, the mosquito control program, the pedestrian system and such portions of any such property included within the AREA OF COMMON RESPONSIBILITY as may be dictated by this MASTER DECLARATION, or by a contract or agreement for maintenance thereof by the MASTER ASSOCIATION.

Except as otherwise specifically provided in this MASTER DECLARATION, all costs associated with maintenance, repair and replacement of GENERAL COMMON AREAS shall be a COMMON EXPENSE to be allocated among all LOTS in the PROPERTIES as part of the BASE ASSESSMENT. All costs associated with maintenance, repair and replacement of EXCLUSIVE COMMON AREAS shall be a NEIGHBORHOOD EXPENSE assessed as a NEIGHBORHOOD ASSESSMENT solely against the LOTS within the NEIGHBORHOOD(S) to which the EXCLUSIVE COMMON AREAS are assigned, notwithstanding that the MASTER ASSOCIATION may be responsible for performing such maintenance under this MASTER DECLARATION.

The MASTER ASSOCIATION may, in the discretion of the BOARD OF DIRECTORS, assume the maintenance responsibilities of a NEIGHBORHOOD set out in this MASTER DECLARATION or in any SUPPLEMENTAL DECLARATION or declaration subsequently recorded which creates any NEIGHBORHOOD ASSOCIATION upon all or any portion of the PROPERTIES. In such event, all costs of such maintenance shall be an ASSESSMENT only against the LOTS within the NEIGHBORHOOD to which the services are provided. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the BOARD OF DIRECTORS, the level and quality of service then being provided is not consistent with the COMMUNITY-WIDE STANDARD of the PROPERTIES. The provision of services in accordance with this Section 7.1 shall not constitute discrimination.

The MASTER ASSOCIATION may maintain property which the MASTER ASSOCIATION does not own, including, without limitation, property dedicated to the public, if the BOARD OF DIRECTORS determines that such maintenance is necessary or desirable to maintain the COMMUNITY-WIDE STANDARD.

Section 7.2 RESPONSIBILITY OF OWNER. Each OWNER shall maintain the LOT of said OWNER and all structures, parking areas and other improvements comprising the LOT in a manner consistent with the COMMUNITY-WIDE STANDARD and all applicable covenants, unless such

maintenance responsibility is otherwise assumed by or assigned to a NEIGHBORHOOD ASSOCIATION or NEIGHBORHOOD COMMITTEE pursuant to any additional declaration of covenants applicable to such LOT. If any OWNER fails properly to perform the maintenance responsibility provided for in this MASTER DECLARATION, the MASTER ASSOCIATION may perform said maintenance and impose an ASSESSMENT for all costs incurred by the MASTER ASSOCIATION against the LOT and the OWNER in accordance with ARTICLE of this MASTER DECLARATION. PROVIDED, HOWEVER, except when entry is required due to an emergency situation, the MASTER ASSOCIATION shall afford the OWNER reasonable notice and an opportunity to cure the problem prior to entry. PROVIDED, FURTHER, any SUPPLEMENTAL DECLARATION or sub-association document may provide that the MASTER ASSOCIATION or the sub-association may be responsible for the maintenance of a LOT and/or all structures, parking areas and other improvements comprising the LOT.

Section 7.3 RESPONSIBILITY OF NEIGHBORHOOD. Upon resolution of the BOARD OF DIRECTORS, each NEIGHBORHOOD shall be responsible for paying, through NEIGHBORHOOD ASSESSMENTS, costs of maintenance of certain portions of the AREA OF COMMON RESPONSIBILITY within or adjacent to such NEIGHBORHOOD, which may include, without limitation, buildings and amenities within the NEIGHBORHOOD, the costs of maintenance of any right-of-way and greenspace between the NEIGHBORHOOD and adjacent public roads, private streets within the NEIGHBORHOOD and lakes or ponds within the NEIGHBORHOOD, regardless of ownership and regardless of the fact that such maintenance may be performed by the MASTER ASSOCIATION.

Any NEIGHBORHOOD ASSOCIATION having responsibility for maintenance of all or a portion of the property within a particular NEIGHBORHOOD pursuant to a declaration of covenants affecting the NEIGHBORHOOD shall perform such maintenance responsibility in a manner consistent with the COMMUNITY-WIDE STANDARD. If any such NEIGHBORHOOD ASSOCIATION fails to perform the maintenance responsibility of the NEIGHBORHOOD ASSOCIATION as required by this MASTER DECLARATION and in any SUPPLEMENTAL DECLARATION, the MASTER ASSOCIATION may perform said maintenance and impose an ASSESSMENT for the costs against all LOTS and all OWNERS within such NEIGHBORHOOD in accordance with ARTICLE VIII of this MASTER DECLARATION.

ARTICLE VIII

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 8.1 CREATION OF ASSESSMENTS. Subject to the terms and conditions of this MASTER DECLARATION, there are created ASSESSMENTS on the PROPERTIES by this MASTER DECLARATION for the MASTER ASSOCIATION expenses as may from time to time specifically be authorized by the BOARD OF DIRECTORS to be commenced at the time and in the manner set forth in this MASTER DECLARATION. There are no ASSESSMENTS created on the property described on the CONCEPTUAL MASTER PLAN except the PROPERTIES. DECLARANT shall not be obligated to pay any ASSESSMENT on LOTS or property owned by DECLARANT unless DECLARANT voluntarily elects to pay said ASSESSMENT. There shall be three (3) types of ASSESSMENTS: (a) BASE ASSESSMENTS to fund COMMON EXPENSES for the benefit of all MEMBERS of the MASTER ASSOCIATION; (b) NEIGHBORHOOD ASSESSMENTS for NEIGHBORHOOD EXPENSES benefitting only LOTS within a particular NEIGHBORHOOD; and (c) SPECIAL ASSESSMENTS as described in this MASTER DECLARATION.

BASE ASSESSMENTS shall be levied equally on all LOTS in the PROPERTIES unless otherwise specified in this MASTER DECLARATION or otherwise specified in any amendments to this MASTER DECLARATION or otherwise specified in any SUPPLEMENTAL DECLARATION. NEIGHBORHOOD ASSESSMENTS shall be levied on all LOTS within the NEIGHBORHOOD for whose benefit NEIGHBORHOOD EXPENSES are incurred as provided in this MASTER DECLARATION. SPECIAL ASSESSMENTS shall be levied as provided in this MASTER

DECLARATION. Except as provided in this MASTER DECLARATION, each OWNER, by acceptance of a deed or recorded contract of sale to any LOT or any other portion of the PROPERTIES, is deemed to covenant and agree to pay BASE ASSESSMENTS, NEIGHBORHOOD ASSESSMENTS and SPECIAL ASSESSMENTS. Anything else contained

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in this MASTER DECLARATION to the contrary, no BASE ASSESSMENT, NEIGHBORHOOD ASSESSMENT nor SPECIAL ASSESSMENT shall be levied on any LOTS owned by DECLARANT, or levied on any other property owned by DECLARANT in the PROPERTIES nor levied on any property owned by DECLARANT and described in the CONCEPTUAL MASTER

Except as provided in this MASTER DECLARATION, all ASSESSMENTS, together with interest at a rate not to exceed the highest rate allowed by ALABAMA LAW as computed from the date the delinquency first occurs, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the LOT against which each ASSESSMENT is made. Each such ASSESSMENT, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the PERSON who was the OWNER of such LOT at the time the ASSESSMENT arose and the grantee of said OWNER shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

ASSESSMENTS shall be paid in such manner and on such dates as may be fixed by the BOARD OF DIRECTORS which may include, without limitation, acceleration of the BASE ASSESSMENT and any NEIGHBORHOOD ASSESSMENT for delinquents.

Except as provided in this MASTER DECLARATION, no OWNER may waive or otherwise be exempted from liability for the ASSESSMENTS provided for in this MASTER DECLARATION, including, by way of illustration and not limitation, by non-use of COMMON AREAS or abandonment of the LOT. The obligation to pay ASSESSMENTS is a separate and independent covenant on the part of each OWNER. No diminution or abatement of ASSESSMENT or set-off shall be claimed or allowed by reason of any alleged failure of the MASTER ASSOCIATION or BOARD OF DIRECTORS to take some action or perform some function required to be taken or performed by the MASTER ASSOCIATION or BOARD OF DIRECTORS under this MASTER DECLARATION or the BY-LAWS, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the MASTER ASSOCIATION, or from any action taken to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority. PROVIDED, HOWEVER, notwithstanding any other provision elsewhere contained in this MASTER DECLARATION, DECLARANT shall not be obligated to pay any ASSESSMENT, BASE ASSESSMENT, NEIGHBORHOOD ASSESSMENT, SPECIAL ASSESSMENT or otherwise, on LOTS or property owned by DECLARANT unless DECLARANT voluntarily elects to pay said ASSESSMENT.

DECLARANT may elect, at the sole discretion of DECLARANT, to pay a part of the actual expenditures required to operate the MASTER ASSOCIATION during the fiscal year. DECLARANT may make said payments in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. DECLARANT shall not be obligated to make the payments as provided for in this Paragraph.

The MASTER ASSOCIATION is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with DECLARANT or other entities for the payment of some portion of the COMMON EXPENSES.

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so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN, DECLARANT shall have the option, in the sole discretion of DECLARANT, to (i) pay ASSESSMENTS on the LOTS in the PROPERTIES owned by DECLARANT, or (ii) not pay ASSESSMENTS on the LOTS in the PROPERTIES. DECLARANT may from time to time change the option stated above. When all LOTS within the PROPERTIES are sold and conveyed to purchasers, neither DECLARANT, nor the affiliates of DECLARANT, shall have any further liability of any kind to the MASTER ASSOCIATION for the payment of ASSESSMENTS. In no event shall DECLARANT ever be obligated to pay SPECIAL ASSESSMENTS.

Section 8.2 COMPUTATION OF BASE ASSESSMENT. It shall be the duty of the BOARD OF DIRECTORS, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated COMMON EXPENSES of the MASTER ASSOCIATION during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared.

Subject to the rights reserved in this MASTER DECLARATION to DECLARANT, the BOARD OF DIRECTORS shall cause a copy of the COMMON EXPENSE budget and notice of the amount of BASE ASSESSMENT to be levied against each LOT in the PROPERTIES for the following year to be delivered to each OWNER at least thirty (30) days prior to the beginning of the fiscal year. Such budget and ASSESSMENT shall become effective unless disapproved by the vote of VOTING MEMBERS.

Notwithstanding the foregoing, however, in the event the proposed budget is not approved or the BOARD OF DIRECTORS fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided in this MASTER DECLARATION, the budget in effect for the immediately preceding year shall continue for the current year.

Section 8.3 COMPUTATION OF NEIGHBORHOOD ASSESSMENTS. It shall be the duty of the BOARD OF DIRECTORS, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated NEIGHBORHOOD EXPENSES to be incurred by the MASTER ASSOCIATION for each NEIGHBORHOOD on whose behalf NEIGHBORHOOD EXPENSES are expected to be incurred during the coming year. The BOARD OF DIRECTORS shall be entitled to set such budget only to the extent that this MASTER DECLARATION or the BY-LAWS specifically authorizes the BOARD OF DIRECTORS to impose an ASSESSMENT for certain costs as a NEIGHBORHOOD ASSESSMENT. The NEIGHBORHOOD ASSOCIATION or NEIGHBORHOOD COMMITTEE for each NEIGHBORHOOD may request that additional services or a higher level of services be provided by the MASTER ASSOCIATION, and in

such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the NEIGHBORHOOD, as appropriate. NEIGHBORHOOD EXPENSES shall be allocated and levied among or against all LOTS within the NEIGHBORHOOD benefitted and levied as a NEIGHBORHOOD ASSESSMENT based on the proportionate share of the LOT of the COMMON EXPENSES as set out in the SUPPLEMENTAL DECLARATION which submitted the NEIGHBORHOOD to the PROPERTIES. The BOARD OF DIRECTORS shall cause a copy of such budget and notice of the amount of the NEIGHBORHOOD ASSESSMENT

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to be levied on each LOT in the NEIGHBORHOOD for the coming year to be delivered to each OWNER of a LOT in the NEIGHBORHOOD at least thirty (30) days prior to the beginning of the fiscal year. Such budget and ASSESSMENT shall become effective unless disapproved by a MAJORITY of the OWNERS of LOTS in the NEIGHBORHOOD which the NEIGHBORHOOD ASSESSMENT applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of OWNERS of at least ten (10%) percent of the LOTS in such NEIGHBORHOOD. Subject to the rights of DECLARANT, meetings of NEIGHBORHOOD COMMITTEES, if called, shall be conducted in accordance with the BY-LAWS.

In the event the proposed budget for any NEIGHBORHOOD is disapproved or the BOARD OF DIRECTORS fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided in this MASTER DECLARATION, the budget in effect for the immediately preceding year shall continue for the current year.

Section 8.4 SPECIAL ASSESSMENTS. Except as provided in this MASTER DECLARATION, in addition to the ASSESSMENTS authorized in this MASTER DECLARATION, the MASTER ASSOCIATION may levy a SPECIAL ASSESSMENT or SPECIAL ASSESSMENTS on the PROPERTIES from time to time; provided, such ASSESSMENT shall have the affirmative vote or written consent of VOTING MEMBERS or their alternates representing at least fifty-one percent (51%) of the VOTING MEMBERS in the MASTER ASSOCIATION. The obligation to pay SPECIAL ASSESSMENTS shall be computed on the same basis as for BASE ASSESSMENTS and shall be levied only against the LOTS in the PROPERTIES. SPECIAL ASSESSMENTS shall be payable in such manner and at such times as determined by the BOARD OF DIRECTORS, and may be payable in installments extending beyond the fiscal year in which the SPECIAL ASSESSMENT is approved, if the BOARD OF DIRECTORS so determines. PROVIDED, HOWEVER, notwithstanding any other provision elsewhere contained in this MASTER DECLARATION, DECLARANT shall not be obligated to pay any SPECIAL ASSESSMENT unless DECLARANT voluntarily elects to pay said SPECIAL ASSESSMENT.

The MASTER ASSOCIATION may also levy a SPECIAL ASSESSMENT against any MEMBER, except DECLARANT, to reimburse the MASTER ASSOCIATION for costs incurred in bringing a MEMBER and the LOT of said MEMBER into compliance with the provisions of the MASTER DECLARATION, any amendments to the MASTER DECLARATION, the ARTICLES, the BY-LAWS and the MASTER ASSOCIATION RULES AND REGULATIONS which SPECIAL ASSESSMENT may be levied upon the vote of the BOARD OF DIRECTORS after notice to the MEMBER and an opportunity for a hearing. The MASTER ASSOCIATION may also levy a SPECIAL ASSESSMENT against the LOTS in any NEIGHBORHOOD, except any LOT owned by DECLARANT, to reimburse the MASTER ASSOCIATION for costs incurred in bringing the NEIGHBORHOOD into compliance with the provisions of the MASTER DECLARATION, any amendments thereto, the ARTICLES, the BY-LAWS and the MASTER ASSOCIATION RULES AND REGULATIONS, which SPECIAL ASSESSMENT may be levied upon the vote of the BOARD OF DIRECTORS after notice to the senior officer of the NEIGHBORHOOD ASSOCIATION or NEIGHBORHOOD COMMITTEE and an opportunity for a hearing.

Section 8.5 LIEN FOR ASSESSMENTS. Except as provided in this MASTER DECLARATION, the MASTER ASSOCIATION is granted a lien on each LOT in the PROPERTIES

and upon the goods, furniture and effects belonging to the LOT OWNER and located in such LOT. Said lien shall secure and does secure the monies due for all ASSESSMENTS levied against the LOT in the PROPERTIES which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent ASSESSMENT owing to the MASTER ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the MASTER ASSOCIATION in enforcing this lien upon the LOT in the PROPERTIES. The sale or transfer of any LOT shall not affect the ASSESSMENT lien. PROVIDED, HOWEVER, notwithstanding any other provision elsewhere contained in this MASTER DECLARATION, no lien for ASSESSMENTS shall be imposed on any LOT or other property owned by DECLARANT.

Such lien, when delinquent, may be enforced by suit, judgment and foreclosure.

Except as provided for in this MASTER DECLARATION, the lien for ASSESSMENTS, including interest, late charges and costs (including attorney's fees) provided for in this MASTER DECLARATION, shall be subordinate to the lien of any first (1st) MORTGAGE or first (1st) vendor's lien upon any LOT held by an ELIGIBLE MORTGAGE HOLDER.

A sale or transfer pursuant to a foreclosure of a first (1st) MORTGAGE or vendor's lien held by an ELIGIBLE MORTGAGE HOLDER shall extinguish a subordinate lien for ASSESSMENTS which became payable prior to such sale or transfer. PROVIDED, HOWEVER, a sale or transfer pursuant to a foreclosure of a first (1st) MORTGAGE or vendor's lien held by an ELIGIBLE MORTGAGE HOLDER shall not extinguish the lien of the MASTER ASSOCIATION to the extent of the COMMON EXPENSE ASSESSMENTS based on the periodic budget adopted by the MASTER ASSOCIATION which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of an action to enforce the lien. However, any such delinquent ASSESSMENTS which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all of the LOTS as a COMMON EXPENSE. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a LOT from liability for, nor the LOT from the lien of, any ASSESSMENTS made thereafter.

The MASTER ASSOCIATION, acting on behalf of the OWNERS, shall have the power to bid for the LOT at foreclosure sale and to acquire and hold, lease, MORTGAGE and convey the same. During the period in which a LOT is owned by the MASTER ASSOCIATION following foreclosure: (a) No right to vote shall be exercised on behalf of the MASTER ASSOCIATION; (b) no ASSESSMENT shall be assessed or levied on the MASTER ASSOCIATION; and (c) each other LOT shall be charged, in addition to the usual ASSESSMENT of said LOT, the pro rata share of the ASSESSMENT that would have been charged such LOT had said LOT not been acquired by the MASTER ASSOCIATION as a result of foreclosure. Suit to recover a money judgment for unpaid COMMON EXPENSES and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8.6 CAPITAL BUDGET AND CONTRIBUTION. The BOARD OF DIRECTORS shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The BOARD

OF DIRECTORS shall set the required capital contribution, if any, in an amount sufficient to permit
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meeting the projected capital needs of the MASTER ASSOCIATION, as shown on the capital budget, with respect both to amount and installments of ASSESSMENTS to be paid over the period of the budget. The capital contribution required, if any, shall be fixed by the BOARD OF DIRECTORS and included within and distributed with the budget and ASSESSMENT, as provided in this MASTER DECLARATION.

Section 8.7 DATE OF COMMENCEMENT OF ASSESSMENTS. The ASSESSMENTS provided for by this MASTER DECLARATION shall commence as to each LOT in the PROPERTIES on the first (1st) day of the first (1st) month following the effective date of the first (1st) budget imposed by the MASTER ASSOCIATION. ASSESSMENTS shall be due and payable in a manner and on a schedule as the BOARD OF DIRECTORS may provide. The first (1st) ASSESSMENT shall be adjusted according to the number of days remaining in the fiscal year at the time ASSESSMENTS commence on the LOT in the PROPERTIES.

Section 8.8 CAPITALIZATION OF MASTERASSOCIATION. Except as in this MASTER DECLARATION, upon acquisition of record title to a LOT in the PROPERTIES by the first (1st) purchaser of a LOT other than DECLARANT, or the successor-in-title or assigns of DECLARANT who take title to any portion of the PROPERTIES for the purpose of development and sale and/or designated as DECLARANT in a recorded instrument executed by the immediately preceding DECLARANT, a contribution shall be made by or on behalf of the purchaser to the working capital of the MASTER ASSOCIATION in an amount to be determined by DECLARANT prior to closing. This amount shall be disbursed to the MASTER ASSOCIATION for use in covering operating expenses and other expenses incurred by the MASTER ASSOCIATION pursuant to the terms of this MASTER DECLARATION and the BY-LAWS.

Section 8.9 UNIFORM RATE OF ASSESSMENT. Except as provided in this MASTER DECLARATION, or any amendment to this MASTER DECLARATION or in any SUPPLEMENTAL DECLARATION, the ASSESSMENTS shall be fixed at a uniform rate for all LOTS in the PROPERTIES. The MASTER DECLARATION may be amended or any SUPPLEMENTAL DECLARATION may provide for ASSESSMENTS which are not fixed at a uniform rate for all LOTS in the PROPERTIES. The ASSESSMENTS are ASSESSMENTS that are in addition to the ASSESSMENTS provided for in any SUPPLEMENTAL DECLARATION.

Section 8.10 EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE MASTER ASSOCIATION. The ASSESSMENT, if not paid when due, shall be delinquent. The ASSESSMENTS which are delinquent for a period of more than ten (10) days shall incur a late charge and bear interest thereon in an amount and at a rate to be set by the BOARD OF DIRECTORS, but in no event greater than the maximum percentage rate as may then be permitted under the Laws of the STATE

OF ALABAMA. In the event the ASSESSMENT remains unpaid after thirty (30) days, the MASTER ASSOCIATION may bring an action at law or in equity against the OWNER personally obligated to pay the same, foreclose the lien against the PROPERTIES or seek injunctive relief and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the ASSESSMENT. Each OWNER, by acceptance of a DEED to a LOT in the PROPERTIES, or as a party to any other type of conveyance, expressly vests in the MASTER ASSOCIATION or the agents of the MASTER ASSOCIATION the right and power to bring all actions against such OWNER personally for the collection of each charge as a debt and to foreclose the aforesaid lien by all methods available for the enforcement of such liens, including

foreclosures by an action brought in the name of the MASTER ASSOCIATION in a like manner as a MORTGAGE lien on real property, and such OWNER expressly grants to the MASTER ASSOCIATION a power of sale in connection with said lien. The lien provided for in this MASTER DECLARATION shall be in favor of the MASTER ASSOCIATION and shall be for the benefit of all LOT OWNERS. The MASTER ASSOCIATION, acting on behalf of the LOT OWNERS, shall have the power to bid for an interest foreclosed at foreclosure sale and to acquire and hold, lease, MORTGAGE and convey the same. With the exception of the DECLARANT, no OWNER may waive or otherwise escape liability for the ASSESSMENTS by non-use of the COMMON AREA or abandonment of LOT.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent ASSESSMENTS, then to any unpaid installments of the ASSESSMENT, which are not the subject matter of suit in the order of their coming due, and then to any unpaid installments of any ASSESSMENT which are the subject matter of suit in the order of their coming due.

Section 8.11 EXEMPT PROPERTY. Notwithstanding anything to the contrary in this MASTER DECLARATION, the following property shall be exempt from payment of BASE ASSESSMENTS, NEIGHBORHOOD ASSESSMENTS and SPECIAL ASSESSMENTS:

- A.all COMMON AREA;
- B. all property dedicated to and accepted by any governmental authority or public utility; and
- c. all LOTS or PROPERTIES owned by DECLARANT.

ARTICLE IX

INSURANCE AND CASUALTY LOSS

Section 9.1 MASTER ASSOCIATION. The MASTER ASSOCIATION is authorized to purchase and maintain insurance on the COMMON PROPERTY and on any LOT owned by the MASTER ASSOCIATION, together with any improvements on said COMMON PROPERTY or said LOT, in such forms and such amounts, with such deductibles, and with such companies as the BOARD OF DIRECTORS shall deem appropriate.

A. All hazard insurance policies obtained by the MASTER ASSOCIATION shall designate the MASTER ASSOCIATION as the named insured as insurance trustee for the benefit of all OWNERS and their MORTGAGEES as their respective interests may appear. In the event of loss or damage, all insurance proceeds paid pursuant to a policy purchased by the MASTER ASSOCIATION shall be paid to the MASTER ASSOCIATION as insurance trustee under the provisions of this MASTER DECLARATION.

B. The MASTER ASSOCIATION shall obtain, if reasonably available, comprehensive public liability insurance with limits and provisions as approved by the BOARD OF DIRECTORS.

C. The MASTER ASSOCIATION shall obtain workers' compensation insurance to meet the requirements of ALABAMA LAW.

D. All premiums upon insurance policies purchased by the MASTER ASSOCIATION shall be assessed as a COMMON EXPENSE to the OWNERS as an ASSESSMENT of the MASTER ASSOCIATION.

E. Each OWNER shall be deemed to have delegated to the MASTER ASSOCIATION the right of said OWNER to adjust with insurance companies all losses under policies purchased by the MASTER ASSOCIATION, subject to the rights of MORTGAGEES.

Section 9.2 OWNER. Each OWNER of a LOT shall be obligated to obtain liability or hazard insurance for the benefit of said OWNER.

Section 9.3 RECONSTRUCTION OR REPAIR AFTER CASUALTY. In the event of the damage or destruction of all or part of any improvement or LOT, the OWNER shall be responsible for the prompt reconstruction and repair of the damaged or destroyed improvement or LOT after such casualty or, at the election of the OWNER, the improvement shall be removed and the LOT restored to its original condition. PROVIDED, HOWEVER, should the OWNER fail to repair or replace the damaged or destroyed improvement or LOT, or remove the improvements from the LOT and restore the LOT to the original condition of the LOT, within a reasonable period of time (not to exceed one hundred eighty (180) days), the MASTER ASSOCIATION may, but shall not be obligated to, do so for the account of said OWNER and may assess the LOT accordingly and, thereafter, be subrogated to any insurance proceeds.

If any OWNER fails to perform the duties imposed by on said OWNER by this MASTER DECLARATION after fifteen (15) days' written notice from the BOARD OF DIRECTORS of the MASTER ASSOCIATION to the OWNER to remedy the condition in question, the MASTER ASSOCIATION shall have the right, through the agents and employees of the BOARD OF DIRECTORS to enter upon the LOT in question and to repair, maintain, repaint and restore or remove the improvements on the LOT and restore the LOT to the original condition of said LOT and the cost thereof shall be a binding, personal obligation of such OWNER when billed by the MASTER ASSOCIATION as well as a lien upon the LOT in question. The lien provided for in this Section 9.3 shall have the same enforceability and priority as the lien provided for in ARTICLE of this MASTER DECLARATION.

In the event of the damage or destruction of all or part of the improvements on the COMMON PROPERTY, the MASTER ASSOCIATION shall be responsible for the prompt reconstruction and repair of the improvements after such casualty. PROVIDED, HOWEVER, the BOARD OF DIRECTORS of the MASTER ASSOCIATION may elect not to reconstruct or repair the improvements on the COMMON PROPERTY. Reconstruction or repair shall be mandatory unless a MAJORITY of the BOARD OF DIRECTORS of the MASTER ASSOCIATION vote that it is not necessary to repair or reconstruct said damaged or destroyed improvement. Any reconstruction or repair must comply in all other respects with the terms, conditions and provisions of this MASTER DECLARATION.

ARTICLE X NO PARTITION

Except as is permitted in this MASTER DECLARATION or amendments to this MASTER DECLARATION, there shall be no physical partition of the COMMON AREA or any part of the COMMON AREA, nor shall any PERSON acquiring any interest in the PROPERTIES or any part of the PROPERTIES seek any judicial partition unless the PROPERTIES have been removed from the provisions of this MASTER DECLARATION. This ARTICLE X shall not be construed to prohibit the BOARD OF DIRECTORS from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this MASTER DECLARATION.

ARTICLE XI CONDEMNATION

Whenever all or any part of the COMMON AREA shall be taken (or conveyed in lieu of and under threat of condemnation by the BOARD OF DIRECTORS acting on the written direction of VOTING MEMBERS representing at least two-thirds (2/3) of the total MASTER ASSOCIATION vote and DECLARANT, as long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN) by any authority having the power of condemnation or eminent domain, each OWNER shall be entitled to notice of said taking. The award made for such taking shall be payable to the MASTER ASSOCIATION as trustee for all OWNERS to be disbursed as follows:

If the taking involves a portion of the COMMON AREA on which improvements have been constructed, then, unless within sixty (60) days after such taking DECLARANT, as long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN and VOTING MEMBERS representing at least seventy-five percent (75%) of the total vote of the MASTER ASSOCIATION shall otherwise agree, the MASTER ASSOCIATION shall restore or replace such improvements so taken on the remaining land included in the COMMON AREA to the extent lands are available therefor, in accordance with plans approved by the BOARD OF DIRECTORS of the MASTER ASSOCIATION. If such improvements are to be repaired or restored, the provisions in ARTICLE IX of this MASTER DECLARATION regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the COMMON AREA, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the MASTER ASSOCIATION and used for such purposes as the BOARD OF DIRECTORS of the MASTER ASSOCIATION shall determine.

ARTICLE XII ARCHITECTURAL STANDARDS

The BOARD OF DIRECTORS shall have the authority and standing, on behalf of the MASTER ASSOCIATION, to enforce in courts of competent jurisdiction decisions of the ARCHITECTURAL

COMMITTEE. This ARTICLE may not be amended without the written consent of DECLARANT so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN.

No construction, which shall include but not be limited to staking, clearing, excavation, grading and other site work, no exterior alteration or modification of existing improvements and no

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planting or removal of plants, trees or shrubs shall take place on the PROPERTIES except in strict compliance with this MASTER DECLARATION.

The terms and conditions of this ARTICLE XII apply only to the PROPERTIES and do not apply to any other property described on the CONCEPTUAL MASTER PLAN.

Section 12.1 ARCHITECTURAL COMMITTEE. The ARCHITECTURAL COMMITTEE shall be composed of at least three (3) (but not more than five (5)) individuals designated and redesignated from time to time (i) by DECLARANT until control of the ARCHITECTURAL COMMITTEE is specifically delegated by DECLARANT to the MASTER ASSOCIATION, and (ii) by the MASTER ASSOCIATION after delegation of such control. Delegation of control of the ARCHITECTURAL COMMITTEE from DECLARANT to the MASTER ASSOCIATION shall be evidenced by an instrument signed by DECLARANT and filed for record in the PROBATE RECORDS OF BALDWIN COUNTY, ALABAMA.

Except as provided in this MASTER DECLARATION, the affirmative vote of a MAJORITY of the membership of the ARCHITECTURAL COMMITTEE shall be required in order to approve any plans and specifications submitted under this ARTICLE XII.

Section 12.2 APPROVAL REQUIRED. No structure shall be commenced, erected, placed, moved on to or permitted to remain on the PROPERTIES nor shall any existing structure upon the PROPERTIES be altered in any way which materially changes the exterior appearance thereof, nor shall any new use be commenced on the PROPERTIES unless plans and specifications (including a description of any proposed new use) thereof shall have been submitted to and approved in writing by the ARCHITECTURAL COMMITTEE. Such plans and specifications shall be in such form and shall contain such information as may be required by the ARCHITECTURAL COMMITTEE, including: (i) architectural plans, elevations and specifications showing the nature, kind, exterior color schemes, shape, height and materials of all structures proposed; (ii) a site plan of the LOT showing the location with respect to the particular LOT (including proposed front, rear and side setbacks and free spaces, if any are proposed) of all structures, the location thereof with reference to structures on adjoining portions of the property, and the number and location of all parking spaces and driveways on the LOT; (iii) a grading plan for the particular LOT; (iv) a drainage plan; (v) a plan for landscaping; (vi) U.S. Corps of Engineers or other appropriate governmental permit. All of said plans shall address the matters required by any zoning and planning authority having jurisdiction.

Section 12.3 BASIS FOR DISAPPROVAL OF PLANS. The ARCHITECTURAL COMMITTEE shall have the right to disapprove any plans and specifications submitted because of any of the following:

- A. failure of such plans or specifications to comply with this MASTER DECLARATION,
- B. failure to include information in such plans and specifications as may have been reasonably requested;
- c. objection to the exterior design, appearance or materials of any proposed structure;

- D. incompatibility of any proposed structure or use with existing structures or uses upon other LOTS in the vicinity;
- E. objections to the location of any proposed structure upon any LOT or with reference to other LOTS in the vicinity;
- F. objection to the site plan, grading plan, drainage plan or landscaping plan for any LOT;
- G. objection to the color scheme, finish, proportions, style of architecture, materials, height, bulk or appropriateness of any proposed structure;
- H. objection to parking areas proposed for any LOT on the grounds of (i) incompatibility to proposed uses and structures on such LOT or (ii) the insufficiency of the size of parking areas in relation to the proposed use of the LOT;
- I. failure of plans to take into consideration the particular topography, vegetative characteristics, natural environment and storm water runoff of the LOT; or
- J. any other matter which, in the judgment of the ARCHITECTURAL COMMITTEE, would render the proposed structure, structures or uses inharmonious with the general plan of improvement of the PROPERTIES or with structures or uses located upon other LOTS in the vicinity.

Approval of any such plans shall terminate and be rendered void if construction is not begun within six (6) months after such approval unless such six (6) month period is extended by agreement with the ARCHITECTURAL COMMITTEE in which event the extended time period shall be applicable.

In any case where the ARCHITECTURAL COMMITTEE shall disapprove any plans and specifications submitted pursuant to this MASTER DECLARATION, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ARCHITECTURAL COMMITTEE shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

THE SCOPE OF REVIEW BY THE ARCHITECTURAL COMMITTEE IS LIMITED TO APPEARANCE ONLY AND DOES NOT INCLUDE ANY RESPONSIBILITY OR AUTHORITY TO REVIEW FOR STRUCTURAL SOUNDNESS, COMPLIANCE WITH BUILDING

OR ZONING CODES OR STANDARDS, OR ANY OTHER SIMILAR OR DISSIMILAR FACTORS.

Section 12.4 RETENTION OF COPY OF PLANS. Upon approval by the ARCHITECTURAL COMMITTEE of any plans and specifications submitted pursuant to this MASTER DECLARATION, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ARCHITECTURAL COMMITTEE, and shall be retained for a period of no more than six (6) months after completion of the improvement, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

Section 12.5 RULES AND REGULATIONS OF ARCHITECTURAL COMMITTEE• EFFECT OF APPROVAL AND DISAPPROVAL: TIME FOR APPROVAL. The ARCHITECTURAL COMMITTEE may promulgate RULES AND REGULATIONS governing the form and content of plans to be submitted for approval or requiring specific improvements on the PROPERTIES, including, without limitation, exterior lighting and planting, and may issue statements of policy with respect to approval or disapproval of the architectural styles or details, or other matters, which may be presented for approval. Such RULES AND REGULATIONS and such statements of policy may be amended or revoked by the ARCHITECTURAL COMMITTEE at any time, and no inclusion in, omission from or amendment of any such RULES AND REGULATION or statement shall be deemed to bind the ARCHITECTURAL COMMITTEE to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the discretion of the ARCHITECTURAL COMMITTEE as to any such matter, but no change of policy shall affect the finality of any approval granted prior to such change. Approval for use on any LOT of any plans or specifications shall not be deemed a waiver of the right of the ARCHITECTURAL COMMITTEE, in the discretion of ARCHITECTURAL COMMITTEE, to disapprove such plans or specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other LOT or LOTS. Approval of any such plans and specifications relating to any LOT, however, shall be final as to that LOT and such approval may not be revoked or rescinded thereafter, provided, (i) that the structure or uses shown or described on or in such plans and specifications do not violate any specific prohibition contained in this MASTER DECLARATION, and (ii) that the plans and specifications, as approved, and any condition attached to any such approval, have been adhered to and complied with in regard to all structures on and uses of the LOT in question.

In the event that the ARCHITECTURAL COMMITTEE fails to approve, disapprove or approve conditionally any plans and specifications as provided by this MASTER DECLARATION within thirty (30) days after proper submission thereof, the same shall be deemed to have been approved, as submitted, and no further action shall be required.

Section 12.6 INSPECTION AND TESTING RIGHTS. Any agent of DECLARANT, MASTER ASSOCIATION or the ARCHITECTURAL COMMITTEE may at any reasonable time or times enter upon and inspect any LOT and any improvements on said LOT for the purpose of ascertaining whether the maintenance of such LOT and the maintenance, construction or alteration of the structures on said LOT are in compliance with the provisions of the MASTER DECLARATION; and neither DECLARANT, MASTER ASSOCIATION nor the ARCHITECTURAL COMMITTEE nor any such

agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Any such inspection shall be for the sole purpose of determining compliance with this MASTER DECLARATION, and neither the making of any such inspection, nor the failure to make any such inspection, shall be relied upon by the OWNER of a LOT or any third PERSONS or entities for any purpose whatsoever; nor shall any such inspection obligate DECLARANT, the MASTER ASSOCIATION or the ARCHITECTURAL COMMITTEE to take any particular action based on the inspection.

Section 12.7 WAIVER OF LIABILITY. Neither the ARCHITECTURAL COMMITTEE nor any architect nor agent of the ARCHITECTURAL COMMITTEE, nor the MASTER ASSOCIATION, nor DECLARANT, nor any agent or employee of the foregoing, shall be responsible in any way for any failure of structures to comply with requirements of this MASTER DECLARATION, although a certificate of compliance has been issued, nor for any defects in any plans and specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications, and all PERSONS relying thereon or benefitting therefrom agree not to sue or claim against the entities and PERSONS referred to in this Section 12.7 for any cause arising out of the matters referred to in this Section 12.7 and further agree to and do release said entities and PERSONS for any and every such cause.

Section 12.8 VARIANCE. The ARCHITECTURAL COMMITTEE may authorize variances from compliance with any of the provisions of the COMMUNITY-WIDE STANDARD when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations require, but only in accordance with duly adopted RULES AND REGULATIONS. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in this MASTER DECLARATION, or (c) estop the ARCHITECTURAL COMMITTEE from denying a variance in other circumstances. For purposes of this Section 12.8, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

ARTICLE XIII SITE DEVELOPMENT

Section 13.1 SITE TO BE STAKED PRIOR TO TREE CUTTING. After the plan for the structure is approved for a LOT, the site of the structure must be staked out and such site approved by the ARCHITECTURAL COMMITTEE before tree cutting is done. Existing vegetation shall be saved whenever it is practical to do so. All areas on site and outside the areas of disturbance shall be "corded off" with high visibility surveyor's flagging tape and no vegetation shall be removed from the corded areas and no materials may be stored over the roots of this vegetation without prior approval of the ARCHITECTURAL COMMITTEE. Removal of "underbrush" from the corded areas is expressly prohibited except on ARCHITECTURAL COMMITTEE approval. No tree may be cut or removed without consent of the ARCHITECTURAL COMMITTEE until the building plans, site plans and site staking are approved by the ARCHITECTURAL COMMITTEE.

Section 13.2 EROSION CONTROL. Erosion control measures shall be taken by the OWNER of a LOT, or the agent or contractor of said OWNER, to protect adjacent properties during construction on such LOT and thereafter until the soil is stabilized on the LOT. This may be accomplished by the use of temporary retention ponds, silt fencing, hay bails or other protective measures intended to intercept and filter the excess storm water runoff from the LOT. All erosion control measures, including slope stabilization, must be specified on the grading plan and must be approved by the ARCHITECTURAL COMMITTEE prior to commencement of grading activities.

Any storm water retention ponds created during construction on a LOT shall not remain as permanent ponds after completion of construction unless so provided in the grading,

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site and landscaping plans submitted to and approved by the ARCHITECTURAL COMMITTEE.

If any portion of the PROPERTIES has been identified as "wetlands" pursuant to Federal and State law and regulation, such wetlands area shall not be utilized or otherwise developed and improved upon unless and in accordance with all Federal, State and local laws and regulations.

If any portion of the PROPERTIES is located within an area designated as "flood prone" pursuant to Federal and State law and regulation, all improvements constructed in said flood prone area must be constructed in accordance with all Federal, State and local laws and regulations pertaining to flood prone areas.

Section 13.3 UTILITY LINES AND APPURTENANCES. All gas, water, sewer, telephone, television cable and electrical feeder and service lines in the PROPERTIES shall be installed as underground service unless otherwise approved by the ARCHITECTURAL COMMITTEE. All transformer boxes, meters or other such fixtures shall be adequately screened with plants or other materials approved by the ARCHITECTURAL COMMITTEE; provided that no planting or screening devices shall be placed so as to obstruct the normal servicing of either transformers, telephone pedestals or other utility hardware. To the extent of the interest of the OWNER of a LOT, the OWNER of a LOT will not erect or grant to any PERSON, firm or corporation the right, license or privilege to erect or use or permit the use of overhead wires, poles or overhead facilities of any kind, including but not limited to electrical, television cable or telephone service on said real estate (except such poles and overhead facilities as may be required at those places where distribution facilities enter and leave the particular area) without the prior written consent of the ARCHITECTURAL COMMITTEE. Nothing contained in this MASTER DECLARATION shall be construed to prohibit overhead road lighting or ornamental yard lighting, where serviced by underground wires or cables. Where underground electric service is to be installed, in order to permit installation of underground electric service to each LOT for the mutual benefit of all OWNERS therein, no OWNER of any such LOT will commence construction of any improvement on any such LOT until such OWNER (1) notifies the electric utility that such construction is proposed, (2) grants in writing to the electric utility such rights and easements as the electric utility requires in connection with construction, operation, maintenance and removal of underground service lateral on such LOT, and (3) otherwise complies with the Rules and Regulations for Underground Residential Distribution on file with and approved by the Alabama Public Service Commission.

If required by the electric utility, such electric utility, or their successors and assigns, may retain title to the underground service lateral and outdoor metering trough, the

house power box (exclusive of circuit breakers) serving each said house, and said service entrance facilities provided by such utility will not in any way be considered a fixture or fixtures and thereby a part of said real estate, but will remain personal property belonging to such utility, its successors and assigns, in accordance with applicable rules and regulations filed with and approved by the Alabama Public Service Commission.

Section 13.4 CONNECTION POINTS FOR UTILITY SERVICE LINES. To the extent of the interests of the OWNER of each LOT, each OWNER agrees to connect utility service lines (including, but not limited to, gas, water, sewer, telephone, television cable and electricity) at points designated by ARCHITECTURAL COMMITTEE.

Section 13.5 SANITARY SEWER SERVICE LINES. The material for sanitary sewer service lines must be approved by the ARCHITECTURAL COMMITTEE.

Section 13.6 LANDSCAPING. The landscape plan must be approved by the ARCHITECTURAL COMMITTEE prior to any site disturbance. The landscape plan shall indicate the proposed type, location, size and quantity of all plant materials to be planted on the LOT. The landscape plan shall include a underground sprinkler system which is approved by the ARCHITECTURAL COMMITTEE. The OWNER must faithfully execute the landscape plan as submitted to and approved by the ARCHITECTURAL COMMITTEE. If the OWNER should fail to faithfully execute the landscape plan, the MASTER ASSOCIATION shall have the right to enter into a contract with a third party for the execution of the landscape plan as approved, and the cost thereof shall be a binding, personal obligation of the OWNER when billed by the MASTER ASSOCIATION as well as a lien upon the LOT in question. The lien provided in this Section 13.6 shall have the same enforceability and priority as the lien provided for in ARTICLE VIII in this MASTER DECLARATION.

Section 13.7 COLORS' ARCHITECTURAL STYLES. All exterior building materials and colors must be approved by the ARCHITECTURAL COMMITTEE. Excessively bright colors or objectionable noticeable colors are prohibited. All architecture must be compatible with the atmosphere of the PROPERTIES and must be compatible with surrounding buildings within the PROPERTIES.

Section 13.8 EXTERIOR LIGHTING. Exterior lighting plans must be set forth on the architectural or landscape plans for a LOT and must be approved by the ARCHITECTURAL COMMITTEE. No exterior lighting fixture (other than fixtures approved by the ARCHITECTURAL COMMITTEE) shall be installed within or upon any LOT without adequate and proper shielding of the fixture. No lighting fixture shall be installed that may become an annoyance or a nuisance to OWNERS or occupants of adjacent properties. All modifications to exterior lighting must be approved in writing by the ARCHITECTURAL COMMITTEE in advance.

ARTICLE XIV COVENANTS AND RESTRICTIONS

The PROPERTIES shall be used only for the purposes designated by this MASTER DECLARATION and by DECLARANT as evidenced by separate instrument (which may include, without limitation, residential LOTS or UNITS, commercial LOTS or UNITS, offices for any property manager retained by the MASTER ASSOCIATION or business offices for DECLARANT, or the MASTER ASSOCIATION), all as may more particularly be set forth in this MASTER

DECLARATION, amendments to this MASTER DECLARATION, any SUPPLEMENTAL DECLARATION or subsequently recorded declarations creating NEIGHBORHOOD ASSOCIATIONS subject to this MASTER DECLARATION. The declaration or other creating document for any NEIGHBORHOOD ASSOCIATION may impose restrictions and stricter standards than those contained in this ARTICLE. The MASTER ASSOCIATION, acting through the BOARD OF DIRECTORS, shall have standing and the power to enforce such standards.

The MASTER ASSOCIATION, acting through the BOARD OF DIRECTORS, shall have authority to make and to enforce standards and restrictions governing the use of the PROPERTIES and to impose reasonable user fees for use of COMMON AREA facilities. Such regulations and use restrictions shall be binding upon all OWNERS and occupants until and unless overruled, canceled or modified in a regular or special meeting of the MASTER ASSOCIATION by the vote of VOTING MEMBERS.

The terms and conditions of this ARTICLE apply only to the PROPERTIES and do not apply to any property described on the CONCEPTUAL MASTER PLAN other than the PROPERTIES.

Section 14.1 SIGNS. No sign of any kind shall be erected within the PROPERTIES without the written consent of the BOARD OF DIRECTORS. The BOARD OF DIRECTORS or DECLARANT shall have the right to erect signs as the BOARD OF DIRECTORS, in their discretion, deem appropriate.

Section 14.2 PARKING. Vehicles shall be parked only in parking tracts or in the driveways, if any, serving the LOTS or in appropriate spaces or designated areas in which parking may be assigned by the MASTER ASSOCIATION or NEIGHBORHOOD ASSOCIATION and then subject to such reasonable RULES AND REGULATIONS as the BOARD OF DIRECTORS, or the NEIGHBORHOOD COMMITTEE or NEIGHBORHOOD ASSOCIATION having concurrent jurisdiction over parking areas within a NEIGHBORHOOD, may adopt. The DECLARANT and/or the MASTER ASSOCIATION may designate certain on-street parking areas for visitors or guests subject to reasonable RULES AND REGULATIONS. Commercial vehicles, tractors, mobile homes, trailers (either with or without wheels), campers, camper trailers and boat trailers shall be parked only in areas designated by the BOARD OF DIRECTORS, or the NEIGHBORHOOD COMMITTEE or NEIGHBORHOOD ASSOCIATION having jurisdiction over a particular parking area within a NEIGHBORHOOD. The storage of boats and recreational vehicles is prohibited upon the PROPERTIES unless approved by the BOARD OF DIRECTORS. PROVIDED, HOWEVER, nothing in this Section 14.2 shall be construed to apply to any property described on the CONCEPTUAL MASTER PLAN, except the PROPERTIES.

Section 14.3 OCCUPANTS BOUND. All provisions of the MASTER DECLARATION, BY-LAWS and of any RULES AND REGULATIONS or use restrictions promulgated pursuant thereto which govern the conduct of OWNERS and which provide for sanctions against OWNERS shall also apply to all occupants, guests and invitees of any LOT. Every OWNER shall cause all occupants of said LOT to comply with the MASTER DECLARATION, BY-LAWS and the RULES AND REGULATIONS adopted pursuant thereto and shall be responsible for all violations and losses to the COMMON AREAS caused by such occupants, notwithstanding the fact that such occupants of a LOT are fully liable and may be sanctioned for any violation of the MASTER DECLARATION, BY-LAWS and RULES AND REGULATIONS adopted pursuant thereto.

Section 14.4 NUISANCE. No portion of the PROPERTIES shall be used, in whole or in part, for the storage of any property or thing that will cause the PROPERTIES to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the PROPERTIES that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the PROPERTIES, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any PERSON using any portion of the PROPERTIES. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the PROPERTIES.

Section 14.5 UNSIGHTLY OR UNKEMPT CONDITIONS. It shall be the responsibility of each OWNER to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on said LOT. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the PROPERTIES.

Section 14.6 OUTSIDE INSTALLATIONS. Except as provided in this MASTER DECLARATION, no exterior antennas, aerials, satellite dishes, towers or other apparatus, or support thereof, for the reception or transmission of television, radio or other signals of any kind shall be erected, installed, placed, allowed or maintained upon any portion of the PROPERTY. PROVIDED, HOWEVER, the OWNER of a LOT shall be allowed to place one (1) eighteen inch (18") diameter satellite dish, or smaller, on a building located on a LOT so long as said satellite dish is not visible from any roadway and is approved by the ARCHITECTURAL COMMITTEE. The DECLARANT and/or the MASTER ASSOCIATION shall have the right, without obligation, to erect an aerial, satellite dish or other apparatus for a master antenna or cable system for the benefit of all or a portion of the PROPERTY, should master system or systems to be used by the MASTER ASSOCIATION require any such exterior apparatus. No radio transmissions of any kind shall be made from any building, LOT or COMMON AREA, except for communication equipment used by the MASTER ASSOCIATION. No machinery shall be placed or operated upon any LOT except such machinery as is usual in maintenance of a private residence. No roof penetrations, such as vents and pipes, shall be placed on any roof so as to be visible from any road or COMMON AREA.

Section 14.7 BASKETBALL EQUIPMENT, CLOTHESLINES, GARBAGE CANS, TANKS, ETC. All basketball hoops and backboards, clotheslines, garbage cans, above ground tanks and other similar items shall be located or screened so as to be concealed from view of neighboring LOTS, streets and property located adjacent to the LOT. All rubbish, trash and garbage shall be regularly removed from the PROPERTIES and shall not be allowed to accumulate thereon.

Section 14.8 SUBDIVISION OF LOT OR TIME SHARING. No LOT shall be subdivided or the boundary lines of said LOT changed except with the prior written approval of the BOARD OF DIRECTORS of the MASTER ASSOCIATION. DECLARANT, however, expressly reserves the right to replat any LOT or LOTS owned by DECLARANT. Any such division, boundary line change or replating shall not be in violation of the applicable subdivision and zoning regulations nor applicable state, federal and local laws and regulations.

No LOT shall be made subject to any type of timeshare or similar program whereby the right to exclusive use of the LOT rotates among MEMBERS of the program on a fixed or floating time schedule over a period of years.

Section 14.9 FIREARMS. The discharge of firearms within the PROPERTIES is prohibited except with the prior approval of the MASTER BOARD OF DIRECTORS. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size,

notwithstanding anything to the contrary contained in this MASTER DECLARATION or in the BYLAWS.

Section 14.10 TENTS TRAILERS AND TEMPORARY STRUCTURES. Except as may be permitted by the ARCHITECTURAL COMMITTEE during initial construction within the PROPERTIES, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a LOT or any part of the PROPERTIES.

Section 14.11 DRAINAGE AND SEPTIC SYSTEMS. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No PERSON other than DECLARANT may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. DECLARANT reserves a perpetual easement across the PROPERTIES for the purpose of altering drainage and water flow. Septic systems are prohibited on the PROPERTIES. Except as otherwise may be specified by DECLARANT, all OWNERS of LOTS must acquire and pay for sewer taps and sewer service to all LOTS from SOUTH ALABAMA SEWER SERVICE, INC., an Alabama Corporation ("SASS") as provided for in separate agreement by and between DECLARANT and SASS. Any obligation of DECLARANT contained in the separate agreement by and between DECLARANT and SASS pertaining to the obligation to acquire and pay for sewer taps and sewer service for any particular LOT is assumed by each LOT OWNER. DECLARANT alone may declare the provisions contained in the immediately foregoing sentence to be null and void.

Section 14.12 TREE REMOVAL. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the ARCHITECTURAL COMMITTEE as provided for in this MASTER DECLARATION or as provided in any amendment to this MASTER DECLARATION or any SUPPLEMENTAL DECLARATION.

Section 14.13 SIGHT DISTANCE AT INTERSECTIONS. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain where said fence, wall, hedge or shrub planting would create a traffic or sight problem.

Section 14.14 UTILITY AND COMMUNICATION LINES. No overhead communication lines or utility lines, including lines for cable television, shall be permitted within the PROPERTIES, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 14.15 AIR CONDITIONING UNITS. Except as may be permitted by the BOARD OF DIRECTORS or designee of the BOARD OF DIRECTORS, no window air conditioning units may be installed in any LOT.

Section 14.16 WETLAND AREA. No OWNER of any LOT shall build or construct structures such as habitable structures, houses, storage sheds, swimming pools, driveways, concrete sidewalks, parking areas or any portion of same on or in any WETLAND AREA on said LOT unless approved by the ARCHITECTURAL COMMITTEE.

Erosion control measures shall be taken by the OWNER of a LOT to prevent erosion or siltation into a WETLAND AREA.

Section 14.17 FERTILIZERS/HERBICIDES AND PESTICIDES. The use of mechanized equipment, herbicides or pesticides is prohibited within any WETLAND AREA.

Section 14.18 WATER WELLS. No private water system shall be constructed on any LOTS. PROVIDED, HOWEVER, DECLARANT shall have the right to construct a private water system or systems on any LOT or part of the PROPERTIES owned by DECLARANT.

ARTICLE XV

ANNEXATION OF ADDITIONAL PROPERTY

Section 15.1 ANNEXATION WITHOUT APPROVAL OF LOT OWNERS. DECLARANT shall have the unilateral right, privilege and option, from time to time and at any time until DECLARANT has sold all of the LOTS in the PROPERTIES, and has sold all of the property in the PROPERTIES, and has sold all of the property described on the CONCEPTUAL MASTER PLAN, to subject to the provisions of this MASTER DECLARATION and the jurisdiction of the MASTER ASSOCIATION, ADDITIONAL PROPERTY which may include all or any portion of the real property described on the CONCEPTUAL MASTER PLAN. In addition, DECLARANT shall have the unilateral right, privilege and option, from time to time and at any time to subject to the provisions of this MASTER DECLARATION and the jurisdiction of the MASTER ASSOCIATION any real property owned by DECLARANT which is adjacent to the property described on the CONCEPTUAL MASTER PLAN. such ADDITIONAL PROPERTY shall be deemed to be "adjacent" even though separated from the property described in the CONCEPTUAL MASTER PLAN by roads, highways, rivers, streams, rights-of-way, railroads, utilities or other intervening physical features or property interest. Such annexation shall be accomplished by filing in the public records of BALDWIN COUNTY, ALABAMA a SUPPLEMENTAL DECLARATION to this MASTER DECLARATION annexing such ADDITIONAL PROPERTY. such SUPPLEMENTAL DECLARATION shall not require the consent of LOT OWNERS. Any such annexation shall be effective upon the filing for record of such SUPPLEMENTAL DECLARATION unless otherwise provided in this MASTER DECLARATION or in the SUPPLEMENTAL DECLARATION. DECLARANT shall have the unilateral right to transfer to any other PERSON the said right, privilege and option to annex ADDITIONAL PROPERTY reserved in this MASTER DECLARATION to DECLARANT, provided that such transferee or assignee shall be the developer of at least a portion of the PROPERTIES or a portion of the property described on the CONCEPTUAL MASTER PLAN and such transfer is memorialized in a written, recorded instrument executed by DECLARANT. DECLARANT reserves the right and option, in the sole discretion of DECLARANT, to complete only the phase or phases which market or other relevant conditions may dictate.

Section 15.2 ANNEXATION WITH APPROVAL OF LOT OWNERS. After DECLARANT has sold all of the LOTS in the PROPERTIES, and all of the PROPERTIES, and all of the property described on the CONCEPTUAL MASTER PLAN, the MASTER ASSOCIATION may annex ADDITIONAL PROPERTY without the consent of DECLARANT. Such annexation shall require the affirmative vote of VOTING MEMBERS or alternates representing a MAJORITY of the VOTING MEMBERS of the MASTER ASSOCIATION present at a meeting duly called for such purpose.

Annexation pursuant to this Section 15.2 shall be accomplished by filing of record in the public records of BALDWIN COUNTY, ALABAMA, a SUPPLEMENTAL DECLARATION describing the property being annexed. Any such SUPPLEMENTAL DECLARATION shall be signed by the President and the Secretary of the MASTER ASSOCIATION, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided in said SUPPLEMENTAL DECLARATION. The relevant provisions of the BY-LAWS dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 15.2 and to ascertain the presence of a quorum at such meeting.

Section 15.3 ACQUISITION OF ADDITIONAL COMMON AREA. DECLARANT may convey to the MASTER ASSOCIATION additional real estate, improved or unimproved, which may or may not be located within the property described on the CONCEPTUAL MASTER PLAN which upon conveyance or dedication to the MASTER ASSOCIATION shall be accepted by the MASTER ASSOCIATION and thereafter shall be maintained by the MASTER ASSOCIATION at the expense of the MASTER ASSOCIATION for the benefit of all the MEMBERS.

Section 15.4 DECLARANT DISCRETION. The property described on the CONCEPTUAL MASTER PLAN which DECLARANT may or may not submit to the PROPERTIES at a future date or dates is not made a part of the PROPERTIES. However, subject to and in accordance with the following terms and provisions, any property described on the CONCEPTUAL MASTER PLAN, or any portion or portions of said property may be submitted to the PROPERTIES in separate or different parcels at different times by amendment or amendments to this MASTER DECLARATION. No assurance is made concerning whether or not any phase or portion of the CONCEPTUAL MASTER PLAN will be or will not be submitted to the PROPERTIES nor is any assurance made concerning the boundaries of the phases, or portions thereof, the number of the phases, or the order in which any phase or portion thereof may be or may not be subject to the exercise of these rights reserved to DECLARANT. The exercise by DECLARANT of any rights reserved to DECLARANT on any portion of the property described on the CONCEPTUAL MASTER PLAN does not obligate DECLARANT to exercise said right in all or any other portion of the remainder of the property described on the CONCEPTUAL MASTER PLAN.

If DECLARANT elects, in the sole discretion of DECLARANT, not to submit any portion or portions of the property described on the CONCEPTUAL MASTER PLAN, then, in that event, DECLARANT shall have the right to develop said property in any way that DECLARANT sees fit and DECLARANT shall have the right to make such use of said property as DECLARANT sees fit without restriction.

No assurances are made that any building or other improvements that may be erected pursuant to any right of DECLARANT in any part of the property described on the CONCEPTUAL MASTER PLAN will be compatible or will not be compatible with any existing buildings and improvements in the property described on the CONCEPTUAL MASTER PLAN in terms of architectural style, quality of construction and size.

No assurances are made concerning other improvements that may be made or that may be created within any part of the property described on the CONCEPTUAL MASTER PLAN pursuant to any right of DECLARANT reserved by DECLARANT.

No assurances are made as to the locations of any building or other improvement that may be made within any part of the property described on the CONCEPTUAL MASTER PLAN pursuant to any right of DECLARANT reserved by DECLARANT.

No assurances are made that any COMMON AREAS created pursuant to any right of DECLARANT reserved by DECLARANT will be of the same general types and sizes as the COMMON AREAS within other parts of the property described in the CONCEPTUAL MASTER PLAN.

No assurance is made that the proportion of the COMMON AREA to LOTS created pursuant to any right reserved by DECLARANT will be approximately equal to the proportion existing within other parts of the property described in the CONCEPTUAL MASTER PLAN.

No assurances are made that the restrictions affecting the use, occupancy and sale or lease of the LOTS will apply to any LOTS created pursuant to any right of DECLARANT reserved by DECLARANT.

ARTICLE xvi AMENDMENT

DECLARANT may unilaterally amend this MASTER DECLARATION so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN. Thereafter and otherwise, this MASTER DECLARATION may be amended only by the affirmative vote or written consent, or any combination thereof, of VOTING MEMBERS representing seventy-five (75%) percent of the total votes of the MASTER ASSOCIATION. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of BALDWIN COUNTY, ALABAMA.

If an OWNER consents to any amendment to this MASTER DECLARATION or the BYLAWS, said consent will be conclusively presumed that such OWNER has the authority so to consent and no contrary provision in any MORTGAGE or contract between the OWNER and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of DECLARANT without the written consent of DECLARANT or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any MORTGAGE held by a MORTGAGEE or impair the rights granted to MORTGAGEES in this MASTER DECLARATION without the prior written consent of such MORTGAGEES.

This MASTER DECLARATION shall not be amended without the prior written consent of DECLARANT, so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN.

ARTICLE XVII

MORTGAGEE PROVISIONS

The following provisions are for the benefit of ELIGIBLE MORTGAGE HOLDERS.

Section 17.1 NOTICES OF ACTION. An ELIGIBLE MORTGAGE HOLDER who provides a written request to the MASTER ASSOCIATION (such request to state the name and address of such ELIGIBLE MORTGAGE HOLDER and the LOT number) will be entitled to timely written notice of:

- A. any condemnation loss or any casualty loss which affects a material portion of the PROPERTIES or which affects any LOT on which there is a first (1st) MORTGAGE or vendor's lien held, insured or guaranteed by such ELIGIBLE MORTGAGE HOLDER,
- B. any delinquency in the payment of ASSESSMENTS or charges owed by an OWNER of a LOT subject to the first (1st) MORTGAGE or vendor's lien of an ELIGIBLE MORTGAGE HOLDER, where such delinquency has continued for a period of sixty (60) days; PROVIDED, HOWEVER, notwithstanding this provision, any ELIGIBLE MORTGAGE HOLDER, upon request, is entitled to written notice from the MASTER ASSOCIATION of any default in the performance by an OWNER of a LOT of any obligation under the MASTER DECLARATION or BY-LAWS of the MASTER ASSOCIATION which is not cured within sixty (60) days;
- C. Any lapse, cancellation or material modification of any insurance policy maintained by the MASTER ASSOCIATION; or
- D. any proposed action which would require the consent of a specified percentage of ELIGIBLE MORTGAGE HOLDERS.

Section 17.2 NO PRIORITY. No provision of this MASTER DECLARATION or the BYLAWS gives or shall be construed as giving any OWNER or other party priority over any rights of the first (1st) MORTGAGEE of any LOT in the case of distribution to such OWNER of insurance proceeds or condemnation awards for losses to or a taking of the COMMON AREA.

Section 17.3 NOTICE TO MASTER ASSOCIATION. Upon request, each OWNER shall be obligated to furnish to the MASTER ASSOCIATION the name and address of the holder of any MORTGAGE encumbering the LOT of a OWNER.

Section 17.4 APPLICABILITY OF ARTICLE XVII. Nothing contained in this ARTICLE XVII shall be construed to reduce the vote that must otherwise be obtained under the MASTER DECLARATION, BY-LAWS or ALABAMA corporate law for any of the acts set out in this ARTICLE XVII.

Section 17.5 FAILURE OF MORTGAGEE TO RESPOND. Any MORTGAGEE who receives a written request from the BOARD OF DIRECTORS to respond to or consent

to any action shall be deemed to have approved such action if the MASTER ASSOCIATION does not

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receive a written response from the MORTGAGEE within thirty (30) days of the date of the request by the MASTER ASSOCIATION.

ARTICLE xviii RIGHTS OF DECLARANT

Any or all of the rights and obligations of DECLARANT may be transferred to other PERSONS provided that no such transfer shall be effective unless said transfer is in a written instrument signed by DECLARANT and duly recorded in the public records of BALDWIN COUNTY, ALABAMA. Nothing in this MASTER DECLARATION shall be construed to require DECLARANT or any successor to develop any of the property set forth on the CONCEPTUAL MASTER PLAN in any manner whatsoever.

Notwithstanding any provisions contained in the MASTER DECLARATION to the contrary, so long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN, it shall be expressly permissible for DECLARANT to maintain and carry on upon portions of the PROPERTIES and the COMMON AREA such facilities and activities as, in the sole opinion of DECLARANT, may be reasonably required, convenient or incidental to the sale and development of the LOTS in the PROPERTIES, or property in the PROPERTIES, or any property described on the CONCEPTUAL MASTER PLAN, including, but not limited to, business offices, signs, model homes and sales offices, and DECLARANT shall have an easement for access, ingress and egress to and from such property. The right to maintain and carry on such facilities and activities shall include specifically the right to use LOTS in the PROPERTIES owned by DECLARANT, or property in the PROPERTIES owned by DECLARANT, or any property owned by DECLARANT described on the CONCEPTUAL MASTER PLAN and any improvement which may be owned by the MASTER ASSOCIATION, as models, sales offices and for lodging and entertainment, respectively, of sales prospects and other business invitees.

So long as DECLARANT owns any LOTS in the PROPERTIES, or owns any property in the PROPERTIES, or owns any property described on the CONCEPTUAL MASTER PLAN, no PERSON shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the PROPERTIES without the review and written consent of DECLARANT, and any attempted recordation without compliance with this MASTER DECLARATION shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by DECLARANT. So long as DECLARANT

continues to have rights under this MASTER DECLARATION, all sales, promotional and advertising materials, and all forms for deeds, contracts for sale and other closing documents for the subdivision and sale of property in the PROPERTIES by any PARCEL DEVELOPER shall be subject to the prior approval of DECLARANT.

This ARTICLE XVIII may not be amended without the express written consent of DECLARANT.

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ARTICLE XIX

GOLF CLUB

Section 19.1 GENERAL. The GOLF CLUB adjoining the property described on the CONCEPTUAL MASTER PLAN is a GOLF CLUB owned by PERSONS other than DECLARANT. DECLARANT has no right, title or interest in the GOLF CLUB.

Section 19.2 GOLF CLUB MEMBERSHIP. Neither membership in the MASTER ASSOCIATION nor ownership or occupancy of a LOT shall confer any ownership interest in or right to use or enter the GOLF CLUB. Rights to use the GOLF CLUB will be granted only to such PERSONS and on such terms and conditions, as may be determined from time to time by the owner of the GOLF CLUB. The GOLF CLUB may or may not be used by the general public, at the sole discretion of the owner of the GOLF CLUB.

Section 19.3 CONVEYANCE OF GOLF CLUB. All PERSONS, including all OWNERS, are advised that no representations or warranties have been or are made by DECLARANT or any other PERSON with regard to the continuing ownership or operation of the GOLF CLUB.

ARTICLE XX

LAKE

Section 20.1 GENERAL. The terms, conditions and provisions of ARTICLE SIX contained in the SUPPLEMENTAL, RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND PROTECTIVE RESTRICTIONS FOR LAKE VIEW ESTATES dated the 21st day of December, 1992 and recorded December 28, 1992 in Miscellaneous Book 72, Pages 1784 through 1809 ("LAKE VIEW ESTATES SUPPLEMENTAL DECLARATION") is incorporated in this MASTER DECLARATION as if fully set out. No other provisions of the LAKE VIEW ESTATES SUPPLEMENTAL DECLARATION shall apply to the PROPERTIES norto this MASTER DECLARATION. The BLANKET ASSIGNMENT AND CONVEYANCE conveys title to the LAKE to LAKE VIEW ESTATES PROPERTY OWNER'S ASSOCIATION, INC. subject to the reservation to DECLARANT of the right of DECLARANT, or the successors and assigns of DECLARANT, to access to and use the waters of LAKE MURIEL.

The body of water shown on the CONCEPTUAL MASTER PLAN and identified as the LAKE and which is described in the BLANKET ASSIGNMENT AND CONVEYANCE dated the 3rd day of February, 1999 and recorded the 10th day of March, 1999 as Instrument Number 482257, Pages 1 through 4 ("BLANKET ASSIGNMENT AND CONVEYANCE") provides, among other things, for the reservation to DECLARANT of the right of DECLARANT, and the successors and assigns of DECLARANT, to access to and use the waters of "LAKE MURIEL". The owners of property adjoining the PROPERTIES and adjoining the properties described in the CONCEPTUAL MASTER PLAN have the right to use the LAKE as provided for in the BLANKET ASSIGNMENT AND CONVEYANCE.

Access to the LAKE is strictly subject to the rules and procedures established by the owners of the LAKE and the LAKE is not made a part of the PROPERTIES unless the LAKE is added to and subjected to this MASTER DECLARATION by SUPPLEMENTAL

DECLARATION. No OWNER or occupant gains any right to enter or to use the LAKE by virtue of ownership or occupancy of a LOT. PROVIDED, HOWEVER, DECLARANT has the unilateral right to bring the LAKE into the PROPERTIES as a COMMON AREA and to amend this MASTER DECLARATION in order to impose liens for ASSESSMENTS for the maintenance and upkeep of the LAKE.

DECLARANT and the other owners of the LAKE may impose fees, costs or ASSESSMENTS on OWNERS of LOTS to maintain or use the LAKE.

Section 20.2 RIGHT TO LAKE. Neither membership in the MASTER ASSOCIATION nor ownership or occupancy of a LOT shall confer any ownership interest in or right to use or enter the LAKE or any other property described on the CONCEPTUAL MASTER PLAN which is owned by DECLARANT. Rights to use the LAKE or any other property described on the CONCEPTUAL MASTER PLAN which is owned by DECLARANT will be granted only to such PERSONS and on such terms and conditions, as may be determined from time to time by the owner of the LAKE or the owners of the property described on the CONCEPTUAL MASTER PLAN which have not become a part of the PROPERTIES. The owner of the LAKE and the owner of the properties described on the CONCEPTUAL MASTER PLAN which are not pan of the PROPERTIES shall have the right from time to time in their sole and absolute discretion and without notice to amend or waive the terms and conditions of use of the LAKE and the properties described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether. The LAKE may or may not be used by the general public, at the sole discretion of the owners of the LAKE.

Section 20.3 CONVEYANCE OF LAKE. All PERSONS, including all OWNERS, are advised that no representations or warranties have been or are made by DECLARANT or any other PERSON with regard to the continuing ownership or operation of the LAKE.

ARTICLEXXI

GENERAL PROVISIONS

Section 21.1 TERM. The covenants and restrictions of this MASTER DECLARATION shall run with and bind the PROPERTIES, and shall inure to the benefit of and shall be enforceable by the MASTER ASSOCIATION or the OWNER of any PROPERTIES subject to this MASTER DECLARATION, their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this MASTER DECLARATION is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a MAJORITY of the then OWNERS, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this MASTER DECLARATION shall be modified or terminated as specified therein.

Section 21.2 SEVERABILITY. If any ARTICLE, part, clause, provision or condition of this MASTER DECLARATION is held to be void, invalid or inoperative, such voidness, invalidity or inoperativeness shall not affect any other ARTICLE, clause, provision or condition of this MASTER

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DECLARATION, but the remainder of this MASTER DECLARATION shall be effective as though such ARTICLE, clause, provision or condition had not been contained therein.

Section 21.3 LITIGATION. No judicial or administrative proceeding shall be commenced or prosecuted by the MASTER ASSOCIATION unless approved by a vote of seventy-five percent (75%) of the VOTING MEMBERS or DECLARANT so long as DECLARANT owns any LOTS in the PROPERTIES, or any property in the PROPERTIES, or any property described on the CONCEPTUAL MASTER PLAN. In the case of such a vote, and notwithstanding anything contained in this MASTER DECLARATION or the ARTICLES OF INCORPORATION or BY-LAWS of the MASTER ASSOCIATION to the contrary, a VOTING MEMBER shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five percent (75%) of all MEMBERS of the NEIGHBORHOOD represented by the VOTING MEMBERS. This Section 21.3 shall not apply, however, to (a) actions brought by the MASTER ASSOCIATION to enforce the provisions of this MASTER DECLARATION (including, without limitation, the foreclosure of liens), (b) the imposition and collection of ASSESSMENTS as provided in this MASTER DECLARATION, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the MASTER ASSOCIATION in proceedings instituted against the MASTER ASSOCIATION. This Section 21.3 shall not be amended unless such amendment is made by DECLARANT or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 21.4 CUMULATIVE EFFECT: CONFLICT. The covenants, restrictions and provisions of this MASTER DECLARATION shall be cumulative with those of any NEIGHBORHOOD ASSOCIATION and the MASTER ASSOCIATION may, but shall not be required to, enforce the latter. PROVIDED, HOWEVER, in the event of conflict between or among such covenants and restrictions, and provisions of any ARTICLES OF INCORPORATION, BYLAWS, RULES AND REGULATIONS, policies or practices adopted or carried out pursuant thereto, those of any NEIGHBORHOOD ASSOCIATION shall be subject and subordinate to those of the MASTER ASSOCIATION. The foregoing priorities shall apply, but not be limited to, the liens for ASSESSMENTS created in favor of the MASTER ASSOCIATION.

Section 21.5 UNRESTRICTIVE RIGHT OF TRANSFER. The right of a LOT OWNER to sell, transfer or otherwise convey said LOT shall not be subject to any right of first refusal or a similar restriction.

Section 21.6 NO RESTRICTIONS ON MORTGAGING. Anything construed in this MASTER DECLARATION to the contrary, there shall be no restrictions on a LOT OWNER'S right to MORTGAGE a LOT.

Section 21.7 ACCEPTANCE BY GRANTEE. The grantee of any LOT subject to the coverage of this MASTER DECLARATION, by acceptance of the DEED or other instrument conveying an

interest in or title to, or the execution of a contract for the purchase of a LOT, whether from DECLARANT or a subsequent OWNER of such LOT, shall accept such DEED or other contract upon and subject to each and all of the terms and conditions set out in this MASTER DECLARATION.

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Section 21.8 INDEMNITY FOR DAMAGES. Each and every LOT OWNER and future LOT OWNER, in accepting a DEED or contract for any LOT subject to this MASTER DECLARATION, agrees to indemnify DECLARANT for any damage caused by such OWNER, or the contractor, agent or employees of such OWNER, to private access areas, streets, roads, gutters, walkways or other aspects of private or public ways, including all surfacing thereon or to water, drainage or storm sewer lines or sanitary sewer lines owned by DECLARANT, or for which DECLARANT has responsibility, at the time of such damage.

Section 21.9 CAPTIONS. GENDER AND GRAMMAR. The captions preceding the various sections, paragraphs and subparagraphs of this MASTER DECLARATION are for the convenience of reference only, and none of them shall be used as an aid to the construction of any provision in this MASTER DECLARATION. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

Section 21.10 EFFECT OF VIOLATION ON MORTGAGE LIEN. No violation of any of the terms and conditions of this MASTER DECLARATION shall defeat or render invalid the lien of any MORTGAGE made or reserved in good faith and for value upon any portion of the PROPERTIES. PROVIDED, HOWEVER, that any MORTGAGEE in actual possession, or any purchaser at any judicial or non-judicial foreclosure by a MORTGAGE sale shall be bound by and subject to this MASTER DECLARATION as fully as any other OWNER of any portion of the PROPERTIES.

Section 21.11 NO REVERTER. No provision of this MASTER DECLARATION is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

Section 21.12 ENFORCEMENT. In the event of a violation or breach of any of the MASTER DECLARATION, the BY-LAWS or the RULES AND REGULATIONS by any OWNER, or employee, agent, or lessee of such OWNER, the OWNER(S) of LOT(S), the MASTER ASSOCIATION, DECLARANT (so long as DECLARANT owns any LOTS in the PROPERTIES, or any property in the PROPERTIES, or any property described on the CONCEPTUAL MASTER PLAN) their successors and assigns, shall each have the right to proceed at law or in equity to compel compliance with the terms and conditions of this MASTER DECLARATION, to prevent the violation or breach of the MASTER DECLARATION, the BY-LAWS or the RULES AND REGULATIONS of the MASTER ASSOCIATION to sue for and recover damages or other dues, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate. No delay or failure on the part of an aggrieved party to initiate an available remedy set forth in this MASTER DECLARATION shall be held to be a waiver of that party or an estoppel of that party or of any other party to assert any right available

to said party upon the recurrence or continuation of said violation or the occurrence of a different violation.

Damages shall not be deemed adequate compensation for any breach or violation of any provision of this MASTER DECLARATION, but any PERSON or entity entitled to enforce any provision in this MASTER DECLARATION shall be entitled specifically to relief by way of injunction as well as any other available relief either at law or in equity.

Any party to a proceeding who succeeds in enforcing this MASTER DECLARATION, the BY-LAWS or the RULES AND REGULATIONS of the MASTER

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ASSOCIATION or enjoining the violation of this MASTER DECLARATION against a LOT OWNER may be awarded a reasonable attorney's fee against such LOT OWNER.

Section 21.13 CERTIFICATE OF VIOLATION. In addition to any other rights or remedies available to the MASTER ASSOCIATION under this MASTER DECLARATION or at law or equity, the MASTER ASSOCIATION shall have the right to file in the records of BALDWIN COUNTY, ALABAMA, a Certificate or Notice of Violation of this MASTER DECLARATION (which violation shall include, without limitation, nonpayment of the annual charges and/or failure to comply with architectural guidelines) upon failure of a LOT OWNER to correct a violation of this MASTER DECLARATION within thirty (30) days after written notice of the violation has been given by the MASTER ASSOCIATION to the LOT OWNER.

Section 21.14 ESTOPPEL CERTIFICATE. Upon the request of any MEMBER, the BOARD OF DIRECTORS of the MASTER ASSOCIATION, or designee, shall furnish a written certificate signed by an officer or agent of the MASTER ASSOCIATION regarding unpaid ASSESSMENTS levied against the property of a MEMBER in violation of the MASTER DECLARATION, BY-LAWS, use restrictions, RULES AND REGULATIONS by any OWNER or occupant of the PROPERTY. Such certificate shall bind the MASTER ASSOCIATION with respect to the foregoing matters. The MASTER ASSOCIATION may require the advance payment of a reasonable processing fee.

Section 21.15 INTERPRETATION OF THIS MASTER DECLARATION. The DECLARANT or the MASTER ASSOCIATION shall have the right to construe and interpret the provisions of this MASTER DECLARATION, and in absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all PERSONS or PROPERTIES benefitted or bound by the provisions of this MASTER DECLARATION.

Section 21.16 ASSIGNMENT BY THE MASTER ASSOCIATION. The MASTER ASSOCIATION shall be empowered to assign the rights of the MASTER ASSOCIATION under this MASTER DECLARATION to any successor non-profit membership corporation ("SUCCESSOR CORPORATION") and, upon such assignment, the SUCCESSOR CORPORATION shall have all the rights and be subject to all the duties of the MASTER ASSOCIATION under this MASTER DECLARATION.

Section 21.17 DEVIATION. The BOARD OF DIRECTORS or designee may, in the exercise of reasonable discretion, permit deviations from the restrictions contained in this MASTER

DECLARATION, the BY-LAWS, the RULES AND REGULATIONS, the use restrictions and the architectural guidelines.

Section 21.18 USE OF THE WORDS "GLENLAKES" OR "THE GARDENS AT GLENLAKES" OR "GLENLAKES MASTER ASSOCIATION" OR "GLENLAKES PROPERTY OWNER'S ASSOCIATION" OR "THE GARDENS AT GLENLAKES PROPERTY OWNER'S ASSOCIATION". No PERSON shall use the words "GLENLAKES" or "THE GARDENS AT GLENLAKES" or "GLENLAKES MASTER ASSOCIATION" or "GLENLAKES PROPERTY OWNER'S ASSOCIATION" or "THE GARDENS AT GLENLAKES PROPERTY OWNER'S ASSOCIATION" or any derivative thereof in any printed or promotional material without the prior written consent of DECLARANT. PROVIDED, HOWEVER, OWNERS may use the terms

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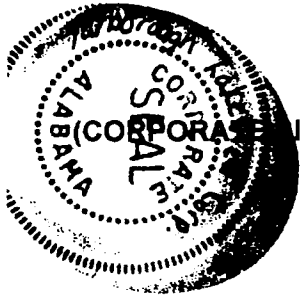
"GLENLAKES" or "GLENLAKES MASTER ASSOCIATION" or "THE GARDENS AT GLENLAKES" or "GLENLAKES PROPERTY OWNER'S ASSOCIATION" or "THE GARDENS AT GLENLAKES PROPERTY OWNER'S ASSOCIATION" in printed or promotional matter where such term is used solely to specify that particular property is located within the PROPERTIES.

Section 21.19 SECURITY. GLENLAKES MASTER ASSOCIATION, INC., will strive to maintain the PROPERTIES as a safe, secure environment. HOWEVER, NEITHER GLENLAKES MASTER ASSOCIATION, NOR THE DECLARANT, SHALL BE HELD LIABLE FOR ANY LOSS

OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT GLENLAKES MASTER ASSOCIATION, INC., AND DECLARANT AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THAT THE DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

IN WITNESS WHEREOF, DECLARANT has caused this MASTER DECLARATION to be duly executed on the date first above written.

GLENLAKES REALTY CO., an Alabama
General Partnership



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By: YARBOROUGH LAKEVIEW CORPORATION.

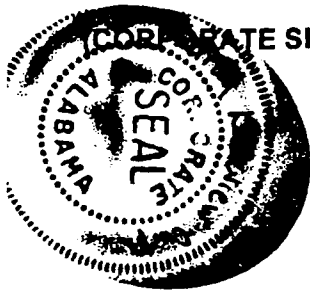
By: *Joe F. Yarbrough*
JOE F. YARBOROUGH
Its: President

By: MURRAY LAKEVIEW CORP.

Roger Murray
ROGER MURRAY
Its: President

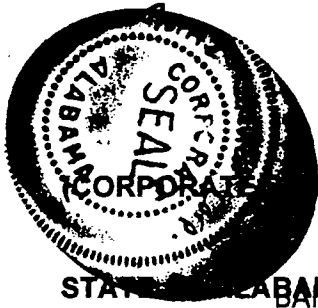
By:

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Its: President JE



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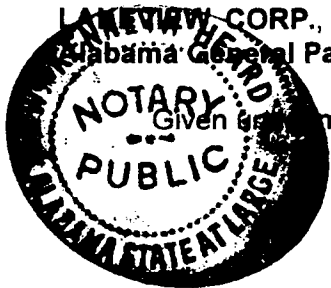
By: GORRIE
LAKEVIEW CORP.

M. Miller Gorrie
M. MILLER GORRIE
Its: President

L)

COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that JOE F. YARBOROUGH, whose name as President of YARBOROUGH LAKEVIEW CORP., acting in its capacity as a Partner of GLENLAKES REALTY CO., an Alabama General Partnership, 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, he, as such President and with full authority, executed the same voluntarily for and as the act of said YARBOROUGH LAKEVIEW CORP., acting in its capacity as a Partner of GLENLAKES REALTY CO., an I Partnership.



y hand and seal this 19th day of May, 2000.

W. Kenneth Heard
NOTARY PUBLIC
My Commission Expires: 8/12/01

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that ROGER MURRAY, whose name as President of MURRAY LAKEVIEW CORP., acting in its capacity as a Partner of GLENLAKES REALTY CO., an Alabama General Partnership, 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, he, as such President and with full authority, executed the same voluntarily for and as the act of said MURRAY LAKEVIEW CORP., acting in Partner of GLENLAKES REALTY CO., an Alabama General Partnership.



y hand and seal
this 19th day of
May, 2000.

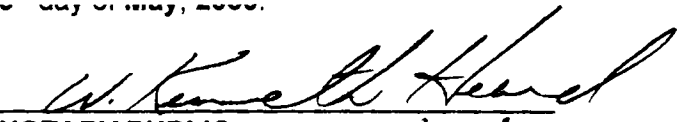
W. Kenneth Heard
NOTARY PUBLIC
My Commission Expires: 8/12/01

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that M. MILLER GORRIE, whose name as President of GORRIE LAKEVIEW CORP., acting in its capacity as a Partner of GLENLAKES REALTY CO., an Alabama General Partnership, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day th eing informed of the contents of the instrument, he, as such President and with full authority, enteÄQhe same voluntarily for and as the act of said GORRIE LAKEVIEW CORP., acting in its pacity of GLENLAKES REALTY CO., an Alabama General Partnership.

uåder my hand and seal this 19th day of May, 2000.
y day of May, 2000.


NOTARY PUBLIC
My Commission Expires: 22/8/11

THIS INSTRUMENT PREPARED BY:

Sam W. Irby

Irby & Heard, P.C.

Attorneys at Law

Post Office Box 1031

Fairhope, Alabama 36533

(334)9284555

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pSUPPLEMENTAL
DECLARATION OF COVENANTS.
CONDITIONS AND RESTRICTIONS FOR
GLENLAKES A PLANNED RESIDENTIAL DEVELOPMENT
GLENLAKES UNIT ONE

STATE OF ALABAMA:

COUNTY OF BALDWIN:

This Declaration ("Declaration") is made this 8th day of May, 2001, by Glenlakes Realty Co., an Alabama General Partnership (the "Declarant").

RECITALS:

1. The Declarant is the Owner of the real property located in Baldwin County, Alabama, described as follows, to-wit:

Glenlakes Unit One as per plat thereof recorded in the Office of the Judge of Probate of Baldwin County, Alabama in SlideQn..gs.Æ-, Slidea.c.%5-E and Slideaya H.

Glenlakes Unit One is referred to in this Declaration as "Glenlakes Unit One" and is more specifically described in Section 1.4 of this Declaration.

2. Glenlakes Unit One and this Declaration are subject to the terms, conditions and provisions of the Master Declaration of Covenants, Conditions and Restrictions for Glenlakes, a Planned Residential Development (the "Master Declaration"). The Master Declaration imposes upon Glenlakes Unit One certain covenants, restrictions, reservations, regulations, burdens and liens as more particularly provided for in the Master Declaration.

3. The Declarant intends by this Declaration to impose upon Glenlakes Unit One, in addition to the covenants, conditions and restrictions imposed by the Master Declaration, additional easements, restrictions, covenants and conditions under a general plan of improvement for the benefit of all Owners of Glenlakes Unit One and to provide a method whereby Additional Property (as defined in this Declaration) may become part of Glenlakes Unit One subject to this Declaration and the Master Declaration by the recordation of a Supplemental Declaration (as defined in this Declaration).

4. The Declarant has caused the Glenlakes Master Association, Inc. (the "Master Association") to be formed as a Master Association for the purpose of providing an Alabama Nonprofit Corporation to serve as representative of the Declarant and Owners of the Properties (as defined in the Master Declaration), which includes Glenlakes Unit One.

5. The Declarant has caused the Glenlakes Unit One Property Owner's Association, Inc. (the "Glenlakes Unit One Association") to be formed as an Association for the purpose of providing an Alabama Nonprofit Corporation to serve as representative of the Declarant and Owners of Glenlakes Unit

One.

6. The Glenlakes Unit One Association and Glenlakes Unit One shall be subject to the terms and conditions of the Master Declaration and this Declaration.

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NOW, THEREFORE, the Declarant declares that Glenlakes Unit One and any Additional Property (as defined in this Declaration) as may be added by Supplemental Declaration (as defined in this Declaration) be added to and subjected to this Declaration and Glenlakes Unit One shall be held, sold and conveyed or encumbered, rented, used, occupied and improved subject to this Declaration and the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with Glenlakes Unit One and shall be binding on all parties having any right, title or interest in Glenlakes Unit One or any part of Glenlakes Unit One, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each Owner of a Lot in Glenlakes Unit One.

Article I

Definitions

The definitions contained in the Master Declaration are incorporated in this Declaration as if fully set out. The following additional words and terms in all capital letters, when used in this Declaration or any Supplemental Declaration (unless the context clearly shall indicate otherwise) shall have the following meanings:

Section 1.1 "Additional Property" shall mean and refer to the Additional Property which may be brought within Glenlakes Unit One by amendment to this Declaration or by Supplemental Declaration (as defined in this Declaration) as described in this Declaration.

Section 1.2 "Architectural Committee" shall mean and refer to the Architectural Committee appointed by the Board of Directors of the Master Association and as described in the Master Declaration.

Section 1.3 "Declarant" shall mean and refer to Glenlakes Realty Co., an Alabama Limited Partnership, or the successors, successors-in-title or assigns of the Declarant who take title to any portion of Glenlakes Unit One for the purpose of development and sale and are designated as Declarant in a recorded instrument executed by the immediately preceding Declarant.

Section 1.4 "Glenlakes Unit One" shall mean and refer to that certain real property described in Paragraph 1, under Recitals on Page 1 of this Declaration and where the context requires such additions to Glenlakes Unit One as may be brought within the jurisdiction of the Glenlakes Unit One Association.

Section 1.5 "Glenlakes Unit One Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Glenlakes Unit One Property Owner's Association, Inc.

Section 1.6 "Glenlakes Unit One Assessment" shall mean and refer to the Glenlakes Unit One Base Assessment and the Glenlakes Unit One Special Assessment or any other Assessment levied against the Lots in Glenlakes Unit One to fund the Glenlakes Unit One Common Expenses, as provided for and described in this Declaration.

Section 1.7 "Glenlakes Unit One Association" shall mean and refer to the Glenlakes Unit One Property Owner's Association, Inc., an Alabama Nonprofit Corporation, or the successors and assigns of the Glenlakes Unit One Association. The "Glenlakes Unit One Board of Directors" shall mean and refer to the Board of Directors of the Glenlakes Unit One Association.

Section 1.8 "Glenlakes Unit One Base Assessments" shall mean and refer to the Glenlakes Unit One Base Assessments levied against the Lots in Glenlakes Unit One by the Glenlakes Unit One Association to fund the Glenlakes Unit One Common Expenses, as provided for and described in this Declaration.

Section 1.9 "Glenlakes Unit One By-Laws" shall mean and refer to the By-Laws of the Glenlakes Unit One Association.

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Section 1.10 "Glenlakes Unit One Common Area" or "Glenlakes Unit One Common Property" shall mean and refer to any property, buildings, fixtures, facilities or other personal property now owned or otherwise acquired by the Glenlakes Unit One Association by purchase, gift, easement, lease or otherwise to be devoted to the common use and enjoyment of the Owners of Glenlakes Unit One.

Section 1.11 "Glenlakes Unit One Common Expenses" shall mean and include the actual and estimated expenses incurred by the Glenlakes Unit One Association for the general benefit of all Lot Owners in Glenlakes Unit One, including any reasonable reserve, all as may be found to be necessary and appropriate by the Glenlakes Unit One Board of Directors pursuant to this Declaration, the Glenlakes Unit One Articles of Incorporation and the Glenlakes Unit One Association By-Laws.

Section 1.12 "Glenlakes Unit One Member" shall mean and refer to a Person (as defined in this Declaration) or entity who holds membership in the Glenlakes Unit One Association as provided in this Declaration.

Section 1.13 "Glenlakes Unit One Special Assessment" shall mean and refer to the Glenlakes Unit One Special Assessment levied against the Lots in Glenlakes Unit One by the Glenlakes Unit One Association to fund the Glenlakes Unit One Common Expenses, as provided for and described in this Declaration.

Section 1.14 "Master Association" shall mean and refer to the Glenlakes Master Association, Inc., an Alabama Nonprofit Corporation, created by instrument dated May 19, 2000, and recorded June 2, 2000, as Instrument Number 548494, Pages 1 through 9, or the successors or assigns of said Master Association.

Section 1.15 "Master Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions for Glenlakes, a Planned Residential Development dated May 19, 2000, and recorded June 2, 2000 as Instrument Number 548493, Pages 1 through 46.

Section 1.16 "Rules and Regulations" shall mean and refer to the Rules and Regulations adopted by the Declarant, the Master Association or the Architectural Committee as provided for

in the Master Declaration or the Rules and Regulations adopted by the Glenlakes Unit One Association, as the context indicates,

Section 1.17 "Supplemental Declaration" shall mean and refer to an amendment or supplement to this Declaration which subjects Additional Property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described in said amendment or supplement, or both.

The recording references in this Declaration refer to the Office of the Judge of Probate of Baldwin County, Alabama.

Article II

Mutuality of Benefit and Obligation

This Declaration is made for the mutual and reciprocal benefit of each and every part of Glenlakes Unit One and is intended to create mutual, equitable servitudes upon Glenlakes Unit One, to create reciprocal rights between the respective Owners and future Owners of Glenlakes Unit One, and to create a privity of contract and estate between the grantees of Glenlakes Unit One, their heirs, successors and assigns

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Article III
Zoning and Specific Restrictions

This Declaration shall not be taken as permitting any action or thing prohibited by the applicable laws, or the laws, rules or regulations of any governmental authority, or by specific covenants or restrictions imposed by any Deed or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, Deeds, leases, covenants, restrictions or this Declaration shall be taken to govern and control.

Article IV
Property Rights and Easements

Section 4.1 Master Declaration. The provisions of Section 4.1 of the Master Declaration are incorporated in this Declaration as though Section 4.1 of the Master Declaration was set out in full in this Declaration. The provisions of Section 4.1 of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Except as provided in the Master Declaration or in this Declaration, every Owner of a Lot in Glenlakes Unit One shall have a right and non-exclusive easement of enjoyment in and to the Glenlakes Unit One Common Area. Any Owner of a Lot in Glenlakes Unit One may delegate the right of enjoyment of said Owner to the members of the family and tenants of the Glenlakes Unit One Member and social invitees, as applicable, subject to reasonable regulation by the Glenlakes Unit One Board of Directors and in accordance with procedures the Glenlakes Unit One Board of Directors may adopt. An Owner of a Lot in Glenlakes Unit One who leases said Lot shall be deemed to have delegated all such rights to the lessee of said Lot.

The right and non-exclusive easement of enjoyment given to every Owner of a Lot in Glenlakes Unit One in and to the Glenlakes Unit One Common Area as described in this Declaration is subject to the following:

A. Terms, conditions and provisions of the Master Declaration, Articles of Incorporation of Glenlakes Master Association, Inc. and By-Laws of Glenlakes Master Association, Inc..

B. The rights reserved to the Declarant provided for in the Master Declaration and in this Declaration.

C. Restrictions and limitations contained in any Deed conveying the Glenlakes Unit One Common Area to the Glenlakes Unit One Association.

D. The right of the Glenlakes Unit One Association to charge reasonable admission and other fees for the use and maintenance of the Glenlakes Unit One Common Area and to impose reasonable limits on the number of guests who may use the Glenlakes Unit One Common Area.

E. The right of the Glenlakes Unit One Association, in addition to the other rights set forth in this Declaration, to suspend the voting rights of an Owner of a Lot in Glenlakes Unit One and the right to use any of the Glenlakes Unit One Common Area for any period during which the Glenlakes Unit One Assessment against that Owner's Lot remains unpaid, and for any infraction by an Owner of a Lot in Glenlakes Unit One of the published Rules and Regulations

of the Glenlakes Unit One Association after hearing by the Glenlakes Unit One Board of Directors for the duration of the infraction and for an additional period not to exceed thirty (30) days.

F. The right of the Declarant, with regard to Glenlakes Unit One which may be owned for the purpose of development, to grant easements in and to the Glenlakes Unit One Common Area to any public agency, authority or utility for such purposes as the Declarant deems appropriate.

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G. The right of the Glenlakes Unit One Association to borrow money for the purpose of improving the Glenlakes Unit One Common Property, or any portion of the Glenlakes Unit One Common Property, for acquiring additional Glenlakes Unit One Common Property, or for constructing, repairing or improving any facilities located on Glenlakes Unit One, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Glenlakes Unit One Common Property, provided two-thirds (2/3) of the total votes of the Glenlakes Unit One Members of the Glenlakes Unit One Association present at a meeting duly called for such purpose shall approve. Provided, However, the lien and encumbrance of any such Mortgage given by the Glenlakes Unit One Association shall be subject and subordinate to any and all rights, interests, options, easements and privileges reserved or established in the Glenlakes Unit One Declaration for the benefit of the Declarant or any Owner of a Lot in Glenlakes Unit One, or the holder of any Mortgage, irrespective of when executed, given by the Declarant or any Owner of a Lot in Glenlakes Unit One encumbering any Lot or other property located within Glenlakes Unit One.

H. The right of the Glenlakes Unit One Association or the Declarant to dedicate or transfer all or any part of the Glenlakes Unit One Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Glenlakes Unit One Members. Except as provided in the Glenlakes Unit One Declaration, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds (2/3) of the total votes of the Glenlakes Unit One Members of the Glenlakes Unit One Association present at a meeting duly called for such purpose shall approve. Provided, However, so long as the Declarant owns any Lot in Glenlakes Unit One, or any property in Glenlakes Unit One, or any property described on the Conceptual Master Plan no dedication or transfer need be approved by two-thirds (2/3) of the total votes entitled to be cast by the Glenlakes Unit One Members of the Glenlakes Unit One Association.

I. The right of the Declarant and the right of the Glenlakes Unit One Association to adopt and promulgate reasonable Rules and Regulations pertaining to the use of Glenlakes Unit One, which, in the discretion of the Glenlakes Unit One Association, shall serve to promote the best interests of the Owners and residents in Glenlakes Unit One.

J. The right of the Declarant to add Additional Property to Glenlakes Unit One as provided for in the Glenlakes Unit One Declaration.

K. The right of the Declarant to amend the Glenlakes Unit One Declaration unilaterally at any time so long as the Declarant owns any Lots in Glenlakes Unit One, or owns any property in Glenlakes Unit One, or owns any property described on the Conceptual Master Plan, without prior notice and without the consent of any Person.

Section 4.2 The provisions of Section 4.2 of the Master Declaration are incorporated in this Declaration as though Section 4.2 of the Master Declaration was set out in full in this Declaration. The rights granted to or reserved to the Declarant in Section 4.2 of the Master Declaration apply to Glenlakes Unit One and the Glenlakes Unit One Common Property.

Article V

Glenlakes Unit One Association and Master Association

Section 5.1 Glenlakes Unit One Association. Subject to the rights granted or reserved to Declarant and to the Master Association in the Master Declaration or this Declaration, the operation and administration of Glenlakes Unit One shall be by the Glenlakes Unit One Association. The Glenlakes Unit One Association shall be an Alabama Nonprofit Corporation incorporated by the Glenlakes Unit One Articles of Incorporation recorded in the Office of the Judge of Probate of Baldwin County, Alabama. The Glenlakes Unit One Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or non-exercise of the powers of the Glenlakes Unit One Association. The Glenlakes Unit One Association shall have authority and power to maintain a class action and to settle a cause of action on behalf of Lot Owners of Glenlakes Unit One with reference to the Glenlakes Unit One

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Common Area and the Glenlakes Unit One Common Property and with reference to any and a" other matters in which of the Owners of Lots in Glenlakes Unit One have a common interest. The Glenlakes Unit One Association shall have all the powers and duties granted to or imposed on the Glenlakes Unit One Association under the Glenlakes Unit One Articles of Incorporation and the Glenlakes Unit One By-Laws and under this Declaration as they may be amended from time to time. The Glenlakes Unit One Association is specifically authorized to enter into agreements by which the powers and duties of the Glenlakes Unit One Association, or some of them, may be exercised or performed by some other Person or Persons. The Glenlakes Unit One Association shall have the right to grant permits, licenses and easements over Glenlakes Unit One Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of Glenlakes Unit One. The Glenlakes Unit One Board of Directors shall have the authority and duty to levy and enforce the collection of the Glenlakes Unit One Assessment for the Glenlakes Unit One Common Expenses and is further authorized to provide adequate remedies for failure to pay the Glenlakes Unit One Assessments.

Section 5.2 Membership. The Glenlakes Unit One Member shall be a member of the Glenlakes Unit One Association so long as the Glenlakes Unit One Member is a Lot Owner in Glenlakes Unit One. The membership of a Lot Owner in Glenlakes Unit One shall immediately terminate when the Lot Owner ceases to be a Lot Owner in Glenlakes Unit One. The membership of a Lot Owner in Glenlakes Unit One cannot be assigned or transferred in any manner except as an appurtenance to said Lot.

No Owner of a Lot in Glenlakes Unit One, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned in Glenlakes Unit One. In the event the Owner of a Lot in Glenlakes Unit One is more than one (1) Person, votes and rights of use and enjoyment shall be as provided in the Glenlakes Unit One Declaration and in the Master Declaration. The rights and privileges of membership in the Glenlakes Unit One Association may be exercised by the Glenlakes Unit One Member, subject to the provisions of the Glenlakes Unit One Declaration, the Glenlakes Unit One By-Laws and the Master Declaration. The membership rights of a Lot in Glenlakes Unit One owned by a corporation, partnership, limited liability company or other entity shall be exercised by the individual designated from time to time by the Owner of said

Lot in a written instrument provided to the Glenlakes Unit One Board of Directors, subject to the provisions of the Glenlakes Unit One Declaration and the Glenlakes Unit One ByLaws.

Section 5.3 Voting in the Glenlakes Unit One Association. Except as provided in the Glenlakes Unit One Declaration or any amendment to the Glenlakes Unit One Declaration or in any Supplemental Declaration, each Lot in Glenlakes Unit One shall be entitled to one (1) vote in the Glenlakes Unit One Association, which vote is not divisible. There shall be only one (1) vote per Lot in Glenlakes Unit One in the Glenlakes Unit One Association unless otherwise specified in this Declaration or any amendment to this Declaration or in any Supplemental Declaration or the Glenlakes Unit One By-Laws. The vote in the Glenlakes Unit One Association for each Lot in Glenlakes Unit One shall be exercised by the Glenlakes Unit One Member. The vote shall be cast by the Lot Owner in the manner provided for in this Declaration and in the Glenlakes Unit One By-Laws- Provided, However, until the Declarant has sold all of the Lots in Glenlakes Unit One, and has sold all of the property in the Properties, and has sold all of the property described on the Conceptual Master Plan, or until the Declarant elects to terminate the control of the Glenlakes Unit One Association, whichever shall first occur, the Lot Owner shall not be entitled to vote and the Glenlakes Unit One By-Laws and Rules and Regulations adopted by the Declarant shall govern and there shall be no meeting of the Glenlakes Unit One Members, unless a meeting is called by the Glenlakes Unit One Board of Directors, and neither the Lot Owners nor the Gtenlakes Unit One Association, nor the use of the Properties by Lot occupants shall interfere with the completion of the contemplated improvements and the sale of the Lots, and the control of the Architectural Committee shall remain with the Declarant. The Declarant may make such use of the unsold Lots and of the Glenlakes Unit One Common Areas and facilities as may facilitate such completion and sale, including, but not limited to, showing of Glenlakes Unit One and the display of signs.

Section 5.4 Assignment. The share of the Glenlakes Unit One Member in the funds and assets of the Glenlakes Unit One Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to said Lot.

Section 5.5 Glenlakes Unit One Board of Directors. The affairs of the Glenlakes Unit One Association shall be conducted by a Glenlakes Unit One Board of Directors which shall consist of such number as shall, from time to time, be determined and fixed by a Majority of the voting rights present at any annual or special meeting of the Glenlakes Unit One Members. The Glenlakes Unit One Association shall have the right to amend the Glenlakes Unit One By-Laws for the purposes of changing the number of members on the Glenlakes Unit One Board of Directors.

Section 5.6 Glenlakes Unit One By-Laws. The Glenlakes Unit One Association and the Glenlakes Unit One Members shall be governed by the Glenlakes Unit One By-Laws which shall be adopted by the Glenlakes Unit One Members.

Section 5.7 Availability of Records. The Glenlakes Unit One Association shall make available to the Lot Owners in Glenlakes Unit One, prospective purchasers, Eligible Mortgage Holders of Mortgages on any Lot in Glenlakes Unit One, current copies of this Declaration, the Glenlakes Unit One By-Laws, Rules and Regulations and other books, records, financial statements and the most recent annual audited or unaudited financial statement of the Glenlakes Unit One Association, if such audited or unaudited financial statement is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under reasonable circumstances.

Section 5.8 Indemnification. The Glenlakes Unit One Association shall indemnify every officer and member of the Glenlakes Unit One Board of Directors against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer or member of the Glenlakes Unit One Board of Directors in connection with any action, suit or other proceeding (including settlement of any suit or proceedings, if approved by the Glenlakes Unit One Board of Directors) to which said member of the Glenlakes Unit One Board of Directors may be a party by reason of being or having been an officer or member of the Glenlakes Unit One Board of Directors. The officers and members of the Glenlakes Unit One Board of Directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Glenlakes Unit One Board of Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Glenlakes Unit One Association (except to the extent that such officers or members of the Glenlakes Unit One Board of Directors may also be Glenlakes Unit One Members), and the Glenlakes Unit One Association shall indemnify and forever hold each such officer and member of the Glenlakes Unit One Board of Directors free and harmless against any and all liability to others on account of any such contract or commitment, and any right to indemnification provided for in this Declaration shall not be exclusive of any other rights to which any officer or member of the Glenlakes Unit One Board of Directors or former officer or member of the Glenlakes Unit One Board of Directors may be entitled. The Glenlakes Unit One Association shall maintain adequate general liability and officers and directors liability insurance to fund this obligation, if such coverage is reasonably obtainable.

Section 5.9 Reserve Fund. The Glenlakes Unit One Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Glenlakes Unit One Common Areas. The fund shall be maintained out of the Glenlakes Unit One Assessments for the Glenlakes Unit One Common Expenses.

Section 5.10 Master Association.

A. The Master Declaration imposes upon Glenlakes Unit One and other property as described in the Master Declaration certain covenants, restrictions, reservations, regulations, burdens and liens, as more particularly provided for in the Master Declaration.

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B. The Master Association has been created for the purpose of maintaining, repairing, renovating, replacing, operating, managing and administering aspects of the Common Area as is defined in the Master Declaration. Every Owner of a Lot in the Properties including the Owners of Lots in Glenlakes Unit One shall be a Member of the Master Association, all as more particularly provided in the Master Declaration. The Master Association shall act as a umbrella association. Some or all other associations or similar entities established pursuant to the various other developments annexed into the Properties shall be Members of the Master Association and shall represent each Lot Owner, tenant or other Person within each Neighborhood. It is further contemplated that each such association and similar entity will appoint one (1) or more persons who will represent that association or similar entity before the Master Association; however, due to the nature of the different types of developments, each said association and similar entity may share in various degrees in the use and enjoyment of the Common Area and of the Master Association, may bear different amounts of the expense of the maintenance, repair, replacement and operation of said Common Area and may be entitled to more than one (1) vote in the affairs of the Master Association.

C. The Glenlakes Unit One Association shall be a member of the Master Association. The Glenlakes Unit One Members shall elect a senior elected officer who shall serve as the Voting Member of the Glenlakes Unit One Association, as provided for in the Master Declaration, and shall cast all votes attributable to the Lots in Glenlakes Unit One on all Master Association matters requiring a membership vote. The Glenlakes Unit One By-Laws shall set out the procedure for the election of a Voting Member.

D. The Glenlakes Unit One Association (and, in turn, the Glenlakes Unit One Members) shall be assessed as a Common Expense a share of the cost and expense of maintaining, repairing, renovating, replacing, operating, managing and administering, the Common Area owned by the Master Association which Assessment shall be enforceable by the Master Association against each Lot Owner the same as, in the same manner and with the same penalties for delinquent or nonpayment of the Assessment for Common Expenses as is set out in the Master Declaration.

E. The Master Association shall determine the budget required for the Master Association to carry out and perform the obligations of the Master Association and each Lot in the Properties (including Glenlakes Unit One) shall be responsible for the share of said Lot of the Assessments of the Master Association as more particularly provided in the Master Declaration. The applicable share of such Assessments due from a Lot shall constitute a lien upon such Lot all as more particularly provided in the Master Declaration.

F. The Master Association may promulgate reasonable Rules and Regulations concerning the use and enjoyment of the Common Area (including the Glenlakes Unit One Common Area) which may be amended from time to time, including the right to enforce said Rules and Regulations by assessing fines and monetary penalties against those responsible for violations thereof which said fines and monetary penalties may be collected and enforced in the same manner as Assessments for Common Expenses, all as provided in the Master Declaration.

G. Any party who accepts or acquires any interest of any kind or nature in Glenlakes Unit One, whether by deed, mortgage, judgment lien, or otherwise, shall have appointed and is deemed to have appointed the Declarant as that party's irrevocable true and lawful attorney-in-fact, coupled with an interest, for that party and in that party's name, place and stead to sign, seal, execute and deliver any and all documents and instruments in order to effectuate membership in the Master Association, and to be bound and liable for the share of Common Expense. The power of attorney shall be a durable power of attorney and shall not be affected by the disability, incompetency, or incapacity of the principal.

H. It is further contemplated that various of the associations and other similar entities may merge together or consolidate with each other, or with the Master Association, in which case, upon merger, combination or consolidation, the property rights and obligations may, by operational law, be transferred to another surviving or consolidated association, or, in the alternative, the Properties (including Glenlakes Unit One) shall and obligations of another association may, by operation of law, be added to the properties of the surviving association as a surviving association pursuant to a merger, combination or consolidation. The surviving or consolidated association may administer the provisions of this Declaration within Glenlakes Unit One together with the Covenants and Restrictions established upon any other properties as one scheme. No such merger, combination or consolidation, however, shall effect any revocation or change of, or addition to the Covenants and Restrictions established by this Declaration within Glenlakes Unit One, except as provided in this Declaration.

I. The terms and provisions of the Master Declaration, and the By-Laws of the Master Association, and any amendments to the aforesaid documents, shall be deemed repeated and re-alleged in this Declaration just as though they were attached as exhibits to this Declaration.

Article VI

Rights and Obligations of the Glenlakes Unit One Association and the Master Association

Section 6.1 Master Declaration. The provisions of Article VI of the Master Declaration are incorporated in this Declaration as though Article VI of the Master Declaration was set out in full in this Declaration. The provisions of Article VI of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Section 6.2 Glenlakes Unit One Common Area. The Declarant, or the Master Association and the Glenlakes Unit One Association, shall have the right to provide in any instrument of conveyance or agreement that the Glenlakes Unit One Common Area is an Exclusive Common Area for the exclusive use and benefit of the Owners of the Lots in Glenlakes Unit One. Said instrument of conveyance or agreement may provide for the allocation of the costs associated with maintenance, repair, replacement and insurance of said Exclusive Common Area and the Assessment against some but not all of the Owners of Lots. The terms and conditions of Section 1.13 of the Master Declaration are specifically incorporated in this Section 6.2 as if fully set out.

Section 6.3 Personal Property and Real Property for Common Use. The Glenlakes Unit One Association, through action of the members of the Glenlakes Unit One Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The members of the Glenlakes Unit One Board of Directors, acting on behalf of the Glenlakes Unit One Association, shall accept any real or personal property, leasehold or other property interests within Glenlakes Unit One conveyed to the Glenlakes Unit One Association by the Declarant.

Section 6.4 Rules and Regulations. The Declarant, the Master Association and the Glenlakes

Unit One Association each may make and enforce reasonable Rules and Regulations governing the use of Glenlakes Unit One, which Rules and Regulations shall be consistent with the rights and duties established by the Master Declaration or this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Glenlakes Unit One Common Area. The members of the Glenlakes Unit One Board of Directors shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Glenlakes Unit One By-Laws.

The Glenlakes Unit One Association, through the members of the Glenlakes Unit One Board of Directors, by contract or other agreement, shall have the right to enforce city or county ordinances or permit said City or County to enforce ordinances on Glenlakes Unit One for the benefit of the Glenlakes Unit One Association and the Glenlakes Unit One Members.

Section 6.5 Implied Rights. The Glenlakes Unit One Association may exercise any other right or privilege given to the Glenlakes Unit One Association expressly by this Declaration or the Glenlakes Unit One By-Laws and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Glenlakes Unit One Association as provided in this Declaration or reasonably necessary to effectuate any such right or privilege.

Section 6.6 Self-Help. In addition to any other remedies provided for in this Declaration, Glenlakes Unit One Association, or the duly authorized agent of the Glenlakes Unit One Association, shall have power to enter upon a Lot in Glenlakes Unit One or any portion of the Glenlakes Unit One Common Property to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Glenlakes Unit One By-Laws, the Rules and Regulations or the use restrictions. Unless an emergency situation exists, the Glenlakes Unit One Board of Directors shall give the violating Lot Owner ten (10) days' written notice of the intent of the Glenlakes Unit One Board of Directors to exercise self-help. All costs of self-help including reasonable attorneys fees actually incurred shall be assessed by the Glenlakes Unit One Association against the violating Lot Owner and shall be collected as provided in this Declaration for the collection of the Glenlakes Unit One Assessments.

Section 6.7 Right of Entry. The Glenlakes Unit One Association shall have the right, in addition to and not in limitation of the rights the Glenlakes Unit One Association may have, to enter into Lots in Glenlakes Unit One for emergency, security or safety purposes, which right may be exercised by the Glenlakes Unit One Board of Directors, or the officers, agents, employees, managers of the Glenlakes Unit One Board of Directors and all police officers, fire fighters, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be during reasonable hours and after reasonable notice to the Owner or occupant of the Lot.

Section 6.8 Governmental Interests. The Glenlakes Unit One Association shall permit the Declarant reasonable authority to designate sites within Glenlakes Unit One for fire, police, water and sewer facilities.

Article VII

Covenants for Maintenance

Section 7.1 Master Declaration. The provisions of Article VII of the Master Declaration are incorporated in this Declaration as though Article VII of the Master Declaration was set out in full in this Declaration. The provisions of Article VII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Section 7.2 Responsibility of the Glenlakes Unit One Association.

A. The Glenlakes Unit One Association shall maintain and keep in good repair the Glenlakes Unit One Common Property, such maintenance to be funded as provided in this Declaration. This maintenance shall include, but need not be limited to, maintenance, repair and replacement of all landscaping and other flora, structures, and improvements situated upon the Glenlakes Unit One Common Areas, including, but not limited to, drainage systems, recreation and open space, lighting systems, estuarine systems, utilities, traffic control devices, the mosquito control program, the pedestrian system and such portions of any such property included within the Glenlakes Unit One Common Areas as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Glenlakes Unit One Association.

Except as otherwise specifically provided in the Master Declaration or in this Declaration, all costs associated with maintenance, repair and replacement of the Glenlakes Unit One Common Areas shall be the Glenlakes Unit One Common Expense to be allocated among all Lots in Glenlakes Unit One as part of the Glenlakes Unit One Base Assessment.

The Glenlakes Unit One Association may maintain property which the Glenlakes Unit One Association does not own, including, without limitation, property dedicated to the public, if the Glenlakes Unit One Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

B. The terms and conditions of Article VIII of this Declaration shall generally apply to the Glenlakes Unit One Assessments provided for in this Section 7.2.

Section 7.3 Responsibility of the Owner. Each Owner of a Lot in Glenlakes Unit One shall keep all Lots owned by said Owner, and all improvements, in a safe, clean and attractive condition and in good order and repair. Such maintenance obligation shall include, without limitation, the following: prompt removal of all litter, trash, refuse and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, exterior lighting and maintenance facilities in good repair and working order; keeping lawn and garden areas alive, free of weeds and attractive, keeping driveways in good repair; complying with all governmental health and police requirements; and repair of exterior damage to improvements, all in a manner and with such frequency as is consistent with good property management. If, in the opinion of the Glenlakes Unit One Association, any Owner of a Lot in Glenlakes Unit One fails to perform the duties imposed by this Section 7.3 after fifteen (15) days' written notice from the Glenlakes Unit One Association to said Owner to remedy the condition in question, the Glenlakes Unit One Association shall have the right, through the agents and employees of the Glenlakes Unit One Association, to enter upon said Lot in question and to repair, maintain, repaint and restore the Lot or such improvements and the cost thereof shall be a binding, personal obligation of such Owner when billed by the Glenlakes Unit One Association as well as a lien upon the Lot in question. The lien provided in this Section 7.3 shall have the same enforceability and priority as the lien provided for in Article VIII of this Declaration.

Article VIII

Covenants for Maintenance Assessments

Section 8.1 Master Declaration. The provisions of Article VIII of the Master Declaration are incorporated in this Declaration as though Article VIII of the Master Declaration was set out in full in this Declaration. The provisions of Article VIII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Section 8.2 Creation of the Glenlakes Unit One Assessments. Subject to the terms and conditions of this Declaration, there are created Glenlakes Unit One Assessments on Glenlakes Unit One by this Declaration for the Glenlakes Unit One Association expenses as may from time to time specifically be authorized by the Glenlakes Unit One Board of Directors to be commenced at the time and in the manner set forth in this Declaration. The Glenlakes Unit One Assessments do not apply to the property described on the Conceptual Master Plan except Glenlakes Unit One. The Declarant shall not be obligated to pay the Glenlakes Unit One Assessment on the Lots or property owned by the Declarant unless the Declarant voluntarily elects to pay the Glenlakes Unit One Assessment. There shall be two (2) types of Glenlakes Unit One Assessments: (a) the Glenlakes Unit One Base Assessments to fund the Glenlakes Unit One Common Expenses for the benefit of the Glenlakes Unit One Members; (b) the Glenlakes Unit One Special Assessments as described in this Declaration.

The Glenlakes Unit One Base Assessments and the Glenlakes Unit One Special Assessments shall be levied equally on all Lots in Glenlakes Unit One unless otherwise specified in this Declaration or otherwise specified in any amendments to this Declaration or otherwise specified in any Supplemental Declaration. The Glenlakes Unit One Assessments shall be levied on all Lots within Glenlakes Unit One as provided in this Declaration. Except as provided in this Declaration, each Owner, by acceptance of a deed or recorded contract of sale to any Lot in Glenlakes Unit One or any other portion of Glenlakes Unit One, is deemed to covenant and agree to pay the Glenlakes Unit One Assessments. Anything else contained in this Declaration to the contrary, the Glenlakes Unit One Assessments shall not

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be levied on any Lots owned by the Declarant, or levied on any other property owned by the Declarant in Glenlakes Unit One nor levied on any property owned by the Declarant and described in the Conceptual Master Plan.

Except as provided in this Declaration, the Glenlakes Unit One Assessments together with interest at a rate not to exceed the highest rate allowed by Alabama Law as computed from the date the delinquency first occurs, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which the Glenlakes Unit One Assessment is made. The Glenlakes Unit One Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the Glenlakes Unit One Assessment arose and the grantee of said Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

The Glenlakes Unit One Association shall, upon demand at any time, furnish to any Owner liable for any type of Glenlakes Unit One Assessment a certificate in writing signed by an officer or management agent of the Glenlakes Unit One Association setting forth whether the Glenlakes Unit One Assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Glenlakes Unit One Association of the Glenlakes Unit One Assessment therein stated to have been paid. The Glenlakes Unit One Association may require the advance payment of a processing fee for the issuance of such certificate.

The Glenlakes Unit One Assessments shall be paid in such manner and on such dates as may be fixed by the Glenlakes Unit One Board of Directors which may include, without limitation, acceleration of the Glenlakes Unit One Assessments for delinquents.

Except as provided in this Declaration, no Owner may waive or otherwise be exempted from liability for the Glenlakes Unit One Assessments provided for in this Declaration, including, by way of illustration and not limitation, by non-use of the Glenlakes Unit One Common Areas or abandonment of the Lot. The obligation to pay the Glenlakes Unit One Assessment is a separate and independent covenant on the part of each Owner. No diminution or abatement of the Glenlakes Unit One Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Glenlakes Unit One Board of Directors to take some action or perform some function required to be taken or performed by the Glenlakes Unit One Board of Directors under this Declaration or the Glenlakes Unit One By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Glenlakes Unit One Association, or from any action taken to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority. Provided, However,

notwithstanding any other provision elsewhere contained in this Declaration, the Declarant shall not be obligated to pay the Glenlakes Unit One Assessment, or otherwise, on Lots or property owned by the Declarant unless the Declarant voluntarily elects to pay said Glenlakes Unit One Assessment

The Declarant may elect, at the sole discretion of the Declarant, to pay a part of the actual expenditures required to operate the Glenlakes Unit One Association during the fiscal year. The Declarant may make said payments in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Declarant shall not be obligated to make the payments as provided for in this Paragraph.

The Glenlakes Unit One Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with the Declarant or other entities for the payment of some portion of the Glenlakes Unit One Common Expenses.

So long as the Declarant owns any Lots in Glenlakes Unit One, or owns any property in Glenlakes Unit One, or owns any property described on the Conceptual Master Plan, the Declarant shall have the option, in the sole discretion of the Declarant, to (i) pay the Glenlakes Unit One Assessments on the Lots in Glenlakes Unit One owned by the Declarant, or (ii) not to pay the Glenlakes Unit One Assessments on the Lots in Glenlakes Unit One. The Declarant may from time to time change the option stated above. When all Lots within Glenlakes Unit One are sold and conveyed to purchasers, neither the Declarant, nor the affiliates of the Declarant, shall have any further liability of any kind to the Glenlakes Unit One Association for the payment of the Glenlakes Unit One Assessments. In no event shall the Declarant ever be obligated to pay the Glenlakes Unit One Assessments.

Section 8.3 Computation of the Glenlakes Unit One Base Assessment. It shall be the duty of the Glenlakes Unit One Board of Directors, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Glenlakes Unit One Common Expenses of the Glenlakes Unit One Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared.

Subject to the rights reserved in this Declaration to the Declarant, the Glenlakes Unit One Board of Directors shall cause a copy of the Glenlakes Unit One Common Expense budget and notice of the amount of the Glenlakes Unit One Base Assessment to be levied against each Lot in Glenlakes Unit One for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and the Glenlakes Unit One Base Assessment shall become effective unless disapproved by the vote of the Glenlakes Unit One Members entitled to vote.

Notwithstanding the foregoing, however, in the event the proposed budget is not approved or the Glenlakes Unit One Board of Directors fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided in this Declaration, the budget in effect for the immediately preceding year shall continue for the current year.

Section 8.4 The Glenlakes Unit One Special Assessments. Except as provided in this Declaration, in addition to any other Assessment provided for in this Declaration including, but not limited to the Glenlakes Unit One Base Assessments, the Glenlakes Unit One Association may levy the Glenlakes Unit One Special Assessment or the Glenlakes Unit One Special Assessments on Glenlakes Unit One from time to time; provided, the Glenlakes Unit One Special Assessment shall have the affirmative vote or written consent of the Glenlakes Unit One Members representing at least fifty-one percent (51%) of the Glenlakes Unit One Members. The obligation to pay the Glenlakes Unit One Special Assessments shall be computed on the same basis as for the Glenlakes Unit One Base Assessments and shall be levied only against the Lots in Glenlakes Unit One. The Glenlakes Unit One Special Assessments shall be payable in such manner and at such times as determined by the Glenlakes Unit One Board of Directors, and may be payable in installments extending beyond the fiscal year in which the Glenlakes Unit One Special Assessment is approved, if the Glenlakes Unit One Board of Directors so determines. Provided, However, notwithstanding any other provision elsewhere contained in this Declaration, the Declarant shall not be obligated to pay any Glenlakes Unit One Special Assessment unless the Declarant voluntarily elects to pay the Glenlakes Unit One Special Assessment.

The Glenlakes Unit One Association may also levy the Glenlakes Unit One Special Assessment against the Glenlakes Unit One Members, except the Declarant, to reimburse the Glenlakes Unit One Association for costs incurred in bringing the Glenlakes Unit One Member and the Lot of the Glenlakes Unit One Member into compliance with the provisions of this Declaration,

any amendments to this Declaration, the Glenlakes Unit One Articles of Incorporation, the Glenlakes Unit One By-Laws and the Rules and Regulations which Glenlakes Unit One Special Assessment may be levied upon the vote of the Glenlakes Unit One Board of Directors after notice to the Glenlakes Unit One Member and an opportunity for a hearing.

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Section 8.5 Lien for Assessments. Except as provided in this Declaration, the Glenlakes Unit One Association is granted a lien on each Lot in Glenlakes Unit One and upon the goods, furniture and effects belonging to the Lot Owner and located in such Lot. Said lien shall secure and does secure the monies due for all the Glenlakes Unit One Assessments levied against the Lot in Glenlakes Unit One which lien shall also secure such late charges, penalties and interest, if any, which may be due on the amount of any delinquent Glenlakes Unit One Assessment owing to the Glenlakes Unit One Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Glenlakes Unit One Association in enforcing this lien upon the Lot in Glenlakes Unit One. The sale or transfer of any Lot shall not affect the Glenlakes Unit One Assessment lien. Provided, However, notwithstanding any other provision elsewhere contained in this Declaration, no lien for the Glenlakes Unit One Assessments shall be imposed on any Lot or other property owned by the Declarant.

Such lien, when delinquent, may be enforced by suit, judgment and foreclosure.

Except as provided for in this Declaration, the lien for the Glenlakes Unit One Assessments, including interest, late charges and costs (including attorney's fees) provided for in this Declaration, shall be subordinate to the lien of any first (1st) Mortgage or first (1st) vendor's lien upon any Lot held by an Eligible Mortgage Holder.

A sale or transfer pursuant to a foreclosure of a first (1st) Mortgage or vendor's lien held by an Eligible Mortgage Holder shall extinguish a subordinate lien for the Glenlakes Unit One Assessments which became payable prior to such sale or Transfer. Provided, However, a sale or transfer pursuant to a foreclosure of a first (1st) Mortgage or vendor's lien held by an Eligible Mortgage Holder shall not extinguish the lien of the Glenlakes Unit One Association to the extent of the Common Expense Assessments based on the periodic budget adopted by the Glenlakes Unit One Association which would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of an action to enforce the lien. However, any such delinquent Glenlakes Unit One Assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all of the Lots as the Glenlakes Unit One Common Expense. Any such sale or transfer pursuant to foreclosure does not relieve the purchaser or transferee of a Lot from liability for, nor the Lot from the lien of, any Glenlakes Unit One Assessments made thereafter.

The Glenlakes Unit One Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, Mortgage and convey the same. During the period in which a Lot is owned by the Glenlakes Unit One Association following foreclosure: (a) No right to vote shall be exercised on behalf of the Glenlakes Unit One Association, (b) the Glenlakes Unit One Assessments shall not be assessed or levied on the Glenlakes Unit One Association; and (c) each other Lot shall be charged, in addition to the Glenlakes Unit One Assessments, the pro rata share of the Glenlakes Unit One Assessments that would have been charged such Lot had said Lot not been acquired by the Glenlakes Unit One Association as a result of foreclosure. Suit to recover a money judgment for unpaid Glenlakes Unit One Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8.6 Capital Budget and Contribution. The Glenlakes Unit One Board of Directors shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Glenlakes Unit One Board of Directors shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Glenlakes Unit One Association, as shown on the capital budget, with respect both to amount and installments of the Glenlakes Unit One Assessment to be paid over the period of the budget. The capital contribution required, if any, shall be fixed by the Glenlakes Unit One Board of Directors and included within and distributed with the budget and the Glenlakes Unit One Assessment, as provided in this Declaration.

Section 8.7 Date of Commencement of Assessments. Except as provided in this Declaration, the Glenlakes Unit One Base Assessment provided for by this Declaration shall commence as to each Lot in Glenlakes Unit One on the first (1st) day of the first (1st) month following the effective date of the first (1st) budget imposed by the Glenlakes Unit One Association. The Glenlakes Unit One Assessments shall be due and payable in a manner and on a schedule as the Glenlakes Unit One Board of Directors may provide. The first (1st) Glenlakes Unit One Base Assessment shall be adjusted according to the number of days remaining in the fiscal year at the time the Glenlakes Unit One Base Assessment commences on the Lot in Glenlakes Unit One. The Glenlakes Unit One Special Assessment shall be due and payable in a manner and on a schedule as the Glenlakes Unit One Board of Directors may provide.

Section 8.8 Capitalization of the Glenlakes Unit One Association. Upon acquisition of record title to a Lot in Glenlakes Unit One by the first (1st) purchaser of a Lot in Glenlakes Unit One other than the Declarant, or the successor-in-title or assigns of the Declarant who take title to any portion of Glenlakes Unit One for purposes of development and sale and are designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Glenlakes Unit One Association in an amount to be determined by the Declarant prior to the closing. This amount shall be disbursed to the Glenlakes Unit One Association for use in covering operating expenses and other expenses incurred by the Glenlakes Unit One Association pursuant to the terms of this Declaration and the Glenlakes Unit One By-Laws.

Section 8.9 Uniform Rate of the Glenlakes Unit One Assessment. Except as provided in this Declaration, the Glenlakes Unit One Assessments shall be fixed at a uniform rate for all Lots in Glenlakes Unit One. The Master Declaration, the Glenlakes Unit One Declaration or any Supplemental Declaration may provide that the Assessments may be fixed at a rate which is not uniform for all Lots in Glenlakes Unit One. The Glenlakes Unit One Assessments are Assessments that are in addition to the Assessments provided for in the Master Declaration.

Section 8.10 Effect of Nonpayment of the Glenlakes Unit One Assessments: Remedies of the Glenlakes Unit One Association. The Glenlakes Unit One Assessment, if not paid when due, shall be delinquent. The Glenlakes Unit One Assessments which are delinquent for a period of more than ten (10) days shall incur a late charge and bear interest thereon in an amount and at a rate to be set by the Glenlakes Unit One Board of Directors, but in no event greater than the maximum percentage rate as may then be permitted under the laws of the State of Alabama. In the event the Glenlakes Unit One Assessment remains unpaid after thirty (30) days, the Glenlakes Unit One Association may bring an action at law or in equity against the Owner personally obligated to pay the same, foreclose the lien against the property or seek injunctive relief and interest, costs and reasonable attorneys fees of any such action shall be added to the amount of the Glenlakes Unit One Assessment. Each Owner, by acceptance of a Deed to a Lot in Glenlakes Unit One, or as a party to any other type of conveyance, expressly vests in the Glenlakes Unit One Association or the agents of the Glenlakes Unit One Association the right and power to bring all actions against such

Owner personally for the collection of each charge as a debt and to foreclose the aforesaid lien by all methods available for the enforcement of such liens, including foreclosures by an action brought in the name of the Glenlakes Unit One Association in a like manner as a Mortgage lien on real property, and such Owner expressly grants to the Glenlakes Unit One Association a power of sale in connection with said lien. The lien provided for in this Declaration shall be in favor of the Glenlakes Unit One Association and shall be for the benefit of all Lot Owners. The Glenlakes Unit One Association, acting on behalf of the Lot Owners, shall have the power to bid for an interest foreclosed at foreclosure sale and to acquire and hold, lease, Mortgage and convey the same. With the exception of the Declarant, no Owner may waive or otherwise escape liability for the Glenlakes Unit One Assessments by non-use of the Glenlakes Unit One Common Area or abandonment of Lot.

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All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent Glenlakes Unit One Assessments, then to any unpaid installments of the annual Glenlakes Unit One Assessment or the Glenlakes Unit One Special Assessment, which are not the subject matter of suit in the order of their coming due, and then to any unpaid installments of the Glenlakes Unit One Assessment which are the subject matter of suit in the order of their coming due.

Section 8.11 Exempt Property. Notwithstanding anything to the contrary in this Declaration, the following property shall be exempt from payment of the Glenlakes Unit One Assessment:

- A. The Glenlakes Unit One Common Area;
- B. all property dedicated to and accepted by any governmental authority or public utility; and
- C. all Lots or property owned by the Declarant.

Article IX

Insurance and Casualty Loss

Section 9.1. Master Declaration. The provisions of Article D of the Master Declaration are incorporated in this Declaration as though Article IX of the Master Declaration was set out in full in this Declaration. The provisions of Article IX of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Section 9.2 Glenlakes Unit One Association. The Glenlakes Unit One Association is authorized to purchase and maintain insurance on the Glenlakes Unit One Common Property and on any Lot owned by the Glenlakes Unit One Association, together with any improvements on the Glenlakes Unit One Common Property or said Lot, in such forms and such amounts, with such deductibles, and with such companies as the Glenlakes Unit One Board of Directors shall deem appropriate.

A. All hazard insurance policies obtained by the Glenlakes Unit One Association shall designate the Glenlakes Unit One Association as the named insured as insurance trustee for the benefit of all Owners and their Mortgagees as their respective interests may appear. In the event of loss or damage, all insurance proceeds paid pursuant to a policy purchased by the Glenlakes Unit One Association shall be paid to the Glenlakes Unit One Association as insurance trustee under the provisions of this Declaration.

B. The Glenlakes Unit One Association shall obtain, if reasonably available, comprehensive public liability insurance with limits and provisions as approved by the Glenlakes Unit One Board of Directors.

C. The Glenlakes Unit One Association shall obtain workers' compensation insurance to meet the requirements of Alabama Law.

D. All premiums upon insurance policies purchased by the Glenlakes Unit One Association shall be assessed as a Glenlakes Unit One Common Expense to the Owners of the Glenlakes Unit One Association.

E. Each Owner shall be deemed to have delegated to the Glenlakes Unit One Association the right of said Owner to adjust with insurance companies all losses under policies purchased by the Glenlakes Unit One Association, subject to the rights of the Mortgagees.

Section 9.3 Owner. Each Owner of a Lot in Glenlakes Unit One shall be obligated to obtain liability or hazard insurance for the benefit of said Owner.

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Section 9.4 Reconstruction or Repair after Casualty. In the event of the damage or destruction of all or part of any improvement or Lot in Glenlakes Unit One, the Owner shall be responsible for the prompt reconstruction and repair of the damaged or destroyed improvement or Lot after such casualty or, at the election of the Owner, the improvement shall be removed and the Lot restored to its original condition. Provided, However, should the Owner fail to repair or replace the damaged or destroyed improvement or Lot, or remove the improvements from the Lot and restore the Lot to the original condition of the Lot, within a reasonable period of time (not to exceed one hundred eighty (180) days), the Glenlakes Unit One Association may, but shall not be obligated to, do so for the account of said Owner and may assess the Lot accordingly and, thereafter, be subrogated to any insurance proceeds.

If any Owner fails to perform the duties imposed on said Owner by this Declaration after fifteen (15) days' written notice from the Glenlakes Unit One Board of Directors of the Glenlakes Unit One Association to the Owner to remedy the condition in question, the Glenlakes Unit One Association shall have the right, through the agents and employees of the Glenlakes Unit One Board of Directors to enter upon the Lot in question and to repair, maintain, repaint and restore or remove the improvements on the Lot and restore the Lot to the original condition of said Lot and the cost thereof shall be a binding, personal obligation of such Owner when billed by the Glenlakes Unit One Association as well as a lien upon the Lot in question. The lien provided for in this Section 9.4 shall have the same enforceability and priority as the lien provided for in Article VIII of this Declaration.

In the event of the damage or destruction of all or part of the improvements on the Glenlakes Unit One Common Property, the Glenlakes Unit One Association shall be responsible for the prompt reconstruction and repair of the improvements after such casualty. Provided, However, the Glenlakes Unit One Board of Directors of the Glenlakes Unit One Association may elect not to reconstruct or repair the improvements on the Glenlakes Unit One Common Property. Reconstruction or repair shall be mandatory unless a Majority of the Glenlakes Unit One Board of Directors of the Glenlakes Unit One Association vote that it is not necessary to repair or reconstruct said damaged or destroyed improvement. Any reconstruction or repair must comply in all other respects with the terms, conditions and provisions of this Declaration.

Article X

No Partition

Except as is permitted in this Declaration or amendments to this Declaration, there shall be no physical partition of the Glenlakes Unit One Common Area or any part of the Glenlakes Unit One Common Area, nor shall any Person acquiring any interest in Glenlakes Unit One or any part of Glenlakes Unit One seek any judicial partition unless Glenlakes Unit One has been removed from the provisions of this Declaration. This Article X shall not be construed to prohibit the Glenlakes Unit One Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article XI

Condemnation

Whenever all or any part of the Glenlakes Unit One Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Glenlakes Unit One Board of Directors acting on the written direction of the Glenlakes Unit One Members representing at least two-thirds (2/3) of the total vote of the Glenlakes Unit One Members and the Declarant, as long as the Declarant owns any Lots in Glenlakes Unit One, or owns any property in Glenlakes Unit One, or owns any property described on the Conceptual Master Plan) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of said taking. The award made for such taking shall be payable to the Glenlakes Unit One Association as trustee for all Owners to be disbursed as follows:

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If the taking involves a portion of the Glenlakes Unit One Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, as long as the Declarant owns any Lots in Glenlakes Unit One, or owns any property in Glenlakes Unit One, or owns any property described on the Conceptual Master Plan and the Glenlakes Unit One Members representing at least seventy-five (75%) percent of the total vote of the Glenlakes Unit One Members shall otherwise agree, the Glenlakes Unit One Association shall restore or replace such improvements so taken on the remaining land included in the Glenlakes Unit One Common Area to the extent lands are available therefor, in accordance with plans approved by the Glenlakes Unit One Board of Directors. If such improvements are to be repaired or restored, the provisions in Article IX of this Declaration regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Glenlakes Unit One Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Glenlakes Unit One Association and used for such purposes as the Glenlakes Unit One Board of Directors shall determine.

Article XII

Architectural Standards

The provisions of Article XII of the Master Declaration are incorporated in this Declaration as though Article XII of the Master Declaration was set out in full in this Declaration. The provisions of Article XII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property. The Architectural Committee may charge reasonable fees for the submittal and review of plans and specifications submitted to the Architectural Committee by any Owner.

Article XIII

Site Development

The provisions of Article XIII of the Master Declaration are incorporated in this Declaration as though Article XIII of the Master Declaration was set out in full in this Declaration. The provisions of Article XIII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Article XIV

Covenants and Restrictions

The Glenlakes Unit One shall be used only for the purposes designated in the Master Declaration and in this Declaration and by the Declarant as may more particularly be set forth in the Master Declaration and in this Declaration.

The Glenlakes Unit One Association and/or the Master Association each shall have authority to make and to enforce the provisions of this Declaration and standards and restrictions governing the use of Glenlakes Unit One and to impose reasonable user fees for use of the Glenlakes Unit One Common Area facilities.

The terms and conditions of this Article XIV apply only to Glenlakes Unit One and do not apply to any property described on the Conceptual Master Plan other than Glenlakes Unit One.

Section 14.1 Master Declaration. The provisions of Article XIV of the Master Declaration are incorporated in this Declaration as though Article XIV of the Master Declaration was set out in full in this Declaration. The provisions of Article XIV of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Section 14.2 Residential Use. All Lots which are part of Glenlakes Unit One and each and every Lot are declared to be residential Lots, and no Lot shall be used except for single-family residential purposes. Except as may be provided elsewhere in this Declaration or in the Master Declaration, no building or structure shall be constructed, erected, altered, placed, remodeled, reconstructed, added to or permitted to remain on any Lot other than a single-family dwelling. No previously approved structure shall be used for any purpose other than that for which said structure was originally designed.

Section 14.3 Business Use. Except as provided in this Declaration or in the Master Declaration, no trade or business may be conducted in or from any Lot. Notwithstanding the provisions of this Section 14.3, the leasing of a Lot for single-family residential purposes shall not be considered a trade or business within the meaning of this Section 14.3. This Section 14.3 shall not apply to any activity conducted by Declarant with respect to the use of any Lots by the Declarant or by builders or assignees specifically designated by the Declarant or to Lots which the Declarant owns within Glenlakes Unit One nor to the property designated by the Declarant as the sales office or model home of the Declarant. Also, this Section 14.3 shall not apply to any land shown on the Conceptual Master Plan, unless specifically annexed as provided elsewhere in this Declaration. (See other provisions in this Declaration and the Master Declaration granting special rights to the Declarant).

The foregoing restrictions contained in this Section 14.3 shall not be construed to prohibit an Owner from:

- A. Maintaining a personal professional library;
- B. Keeping a personal business or professional records or accounts;
- c. Handling a professional business or professional telephone calls or correspondence.

Such uses are declared expressly customarily incidental to the principal single-family residential use and not in violation of this Section 14.3.

Section 14.4 Leasing. Lots may be leased for residential purposes; and such lease and the rights of any tenants under said lease are made expressly subject to the power of the Glenlakes Unit One Association or the Master Association to prescribe reasonable Rules and Regulations relating to the lease and rental of Lots and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Glenlakes Unit One Board of Directors or the Master Association Board of Directors deems appropriate, including eviction. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Master Declaration, the Articles of Incorporation of the Master Association, ByLaws of the Master Association, this Declaration, the Glenlakes Unit One Articles of Incorporation, the Glenlakes Unit One By-Laws, use restrictions, Rules and Regulations. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Master Association Board of Directors and/or the Glenlakes Unit One Board of Directors, in addition to any other remedies available to either of them, may evict the tenant on behalf of the Owner and specifically assess all costs associated with said eviction against the Owner and the property of the Owner.

Section 14.5 Minimum Dwelling Area. The liveable area (heated and cooled areas) of the main building or structure, exclusive of open porches, and garages, shall be not less than the square footages set out in this Section 14.5 on the following Lots. All references in this Section 14.5 to "sf" shall mean or refer to square footage within the liveable area (heated and cooled areas) of the main building or structure. The numbers in parenthesis (e.g. 1,900 sf) shall mean or refer to the minimum square footage required on the ground floor liveable area (heated and cooled area) of the main building or structure, exclusive of open porches and garages.

Lot Numbers

Stories	<u>Lots 1 through 15 and Lots 76 through 90</u>	<u>Lots 16 through 75</u>
1	2,400 sf	2,200 sf
2	2,750 sf (1,900 so	2,550 sf (1,700 so

Section 14.6 Minimum Building Setback Lines. No building, pool enclosure, improvement or structure located on any Lot shall be constructed, erected, altered, placed, remodeled, reconstructed, added to or allowed to remain on any Lot so as to be located any nearer to any property boundary line than the setback lines shown on the recorded subdivision plat of Glenlakes Unit One, but the Architectural Committee, in the sole discretion of the Architectural Committee, shall have the power to grant exceptions. All setbacks shall comply with all applicable subdivision regulations and zoning ordinances.

Section 14.7 Adjoining Lot Ownership. For the purposes of this Declaration, any Owner having two (2) or more adjoining Lots may treat, use and build on them as though they were one (1) after making written application and receiving written approval by the Architectural Committee. Said approval shall be recorded and operate as an amendment to this Declaration. The rights granted by this Section 14.7 are subject to the easements, if any, granted to others and any applicable subdivision regulations and zoning ordinances.

Section 14.8 Use of the Glenlakes Unit One Common Area. Subject to the rights of the Declarant or the Master Association as set out in the Master Declaration and in this Declaration, the Master Association shall have full control over the Glenlakes Unit One Common Area and may establish such Rules and Regulations and conditions for the use of the Glenlakes Unit One Common Area as the Master Association may deem adequate or necessary, and the Master Association shall have full power and authority to suspend or revoke the privilege and license of any such Owner, and any member of the household of such Owner or any of the guests, tenants or invitees of such Owner, from using the Glenlakes Unit One Common Property, should any such party, while on Glenlakes Unit One, act in a manner as to warrant such action in the sole discretion of the Majority of the members of the Board of Directors of the Master Association. Provided, However, nothing in this Declaration shall be construed to allow the Master Association to prohibit any Lot Owner from ingress and egress to and from a Lot. Provided, However, the Master Association shall be empowered to assign the rights of the Master Association under this Section 14.8 to a Successor Corporation (as defined in this Declaration) and, upon such assignment, the Successor Corporation shall have all the rights and be subject to all of the duties of the Master Association under this Section 14.8.

Section 14.9 Parking and Vehicular Restrictions. Subject to the rights of the Declarant or the Master Association, parking in or on Glenlakes Unit One or the Glenlakes Unit One Common Area shall be restricted as provided in the Master Declaration and this Declaration or Rules and Regulations.

No vehicle, camper, mobile home, motor home, house trailer or trailer of any type, recreational vehicle, motorcycle, golf cart, scooter, go-cart, moped, boat or other water craft, boat trailer, van, bust automobile or any other transportation device of any kind shall be permitted to be parked or to

be stored at any place within Glenlakes Unit One or the Glenlakes Unit One Common Area, except in spaces for some or all of the above specifically designated by the Master Association. No Owner shall keep any vehicle on Glenlakes Unit One or the Glenlakes Unit One Common Area which is deemed a nuisance by the Board of Directors of the Master Association or the Glenlakes Unit One Board of Directors. No commercial vehicle shall be permitted to be parked or to be stored at any place within Glenlakes Unit One or the Glenlakes Unit One Common Area except in spaces designated by the Architectural Committee. For the purposes of this Section 14.9, "commercial vehicle" shall mean those that are not designed and used for customary, personal/family purposes. The absence of commercial type lettering or graphics on a vehicle shall not be dispositive of whether it is a commercial vehicle. No Owner shall conduct repairs (except in an emergency) or restorations of any vehicle on or upon any portion of Glenlakes Unit One or the Glenlakes Unit One Common Area except in an enclosed area with the doors to that area closed at all times. The prohibitions on parking contained in this Section 14.9 shall not apply to temporary parking of vehicles such as for construction use or providing pick-up and delivery and other commercial services nor to any vehicles of the Declarant. No overnight on-street parking or parking on lawns shall be permitted.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained in this Declaration or in the Master Declaration or in the Rules and Regulations may be towed by the Master Association or by the Glenlakes Unit One Association or by the Architectural Committee at the sole expense of the Owner of the vehicle if the vehicle remains in violation for a period of twenty-four (24) hours from the time a notice of violation is placed on the vehicle. Neither the Master Association nor the Glenlakes Unit One Association nor the Architectural Committee shall be liable to the Owner of that vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of the towing, and once the notice is posted, neither the removal of said notice, nor failure of the Owner to receive said notice for any reason, shall be grounds for relief of any kind. An affidavit of the Person posting said notice stating that said notice was properly posted shall be conclusive evidence of proper posting.

For the purposes of this Section 14.9, "vehicle" shall mean and refer to any device on wheels or runners for conveying Persons, property or objects.

Section 14.10 Driveways. Each purchaser of a Lot from the Declarant shall be responsible for building, at the sole expense of the purchaser, a concrete or brick driveway. Each driveway must be completed on or prior to the completion of the dwelling. All driveways must connect with the adjoining road and the parking area on the Lot. The location, design and construction of all driveways must be approved in writing by the Architectural Committee prior to construction.

Unless otherwise approved by the Architectural Committee all driveways located on the Lots must access to and from and all houses must front the adjoining road.

Section 14.11 Preservation of Trees, Topography and Vegetation. No tree having a diameter of six (6) inches or more (measured from a point two (2) feet above ground level) shall be removed from any Lot without the express written authorization of the Architectural Committee. In order to protect the natural beauty of the vegetation and topography of Glenlakes Unit One, and to provide privacy to the Lot Owners, written approval of the Architectural Committee is required for the removal, reduction, cutting down, excavation, filling or alteration of any topographic and vegetation characteristics. The Architectural Committee, in the discretion of the Architectural Committee, may adopt and promulgate Rules and Regulations regarding Glenlakes Unit One and in general the preservation of trees and other natural resources and wildlife upon all of Glenlakes Unit One. If the Architectural Committee shall deem it appropriate, the Architectural Committee may mark certain trees, regardless of size, as not removable without written authorization. In carrying out the provisions of this Section 14.11, the Declarant, the Master Association, the Glenlakes Unit One Association and the Architectural Committee and the respective agents of each may come upon any Lot during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any Rules and Regulations adopted and promulgated

pursuant to the provisions of this Declaration. Neither the Master Association, the Glenlakes Unit One Association, nor the Architectural Committee, nor the Declarant, nor their respective agents shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

Section 14.12 Accumulation of Refuse or Noxious Activity. No lumber, metals or bulk materials (except lumber, metals and bulk materials as is usual in the maintenance of a private residence and which must be stored in such a manner so that it cannot be seen from adjacent and surrounding property), refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building materials during the course of construction of any approved structure. No harmful or noxious materials shall be stored, either inside any structure, or outside any structure, if said materials pose any significant threat to public health and safety or to individuals employed or living within or in proximity to such structures. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, approved containers may be placed in the open on any day a pick-up is to be made. At all other times, trash and garbage containers shall be

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screened in such a manner so that they cannot be seen from adjacent and surrounding property, and as approved by the Architectural Committee. All trash and garbage containers shall be kept in a clean and sanitary condition. The Architectural Committee, in the discretion of the Architectural Committee, may adopt and promulgate reasonable Rules and Regulations relating to the size, shape, color and type of containers permitted and the manner of storage and screening of the same on Glenlakes Unit One.

No portion of Glenlakes Unit One shall be used, in whole or in part, for the storage of any property or thing that will cause Glenlakes Unit One to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept on any portion of Glenlakes Unit One that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious, illegal or offensive activity shall be carried on upon any portion of Glenlakes Unit One nor shall anything be done on Glenlakes Unit One tending to cause embarrassment, discomfort, annoyance or nuisance to any Person using any portion of Glenlakes Unit One. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature that may diminish or destroy the enjoyment of Glenlakes Unit One. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within Glenlakes Unit One.

Section 14.13 Fences, Walls, Hedges and Ornamental Structures. No fence, wall, hedge, ornamental structure or gazebo shall be located or constructed on any Lot unless approved by the Architectural Committee.

Section 14.14 Mail or Newspaper Boxes. The design of all mailboxes and newspaper boxes must be approved by the Architectural Committee and free-standing mail boxes and newspaper boxes equipped with lighting may be required in some or all sections of Glenlakes Unit One.

Section 14.15 Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted in Glenlakes Unit One or on the exterior of any portion of any improvement on Glenlakes Unit One. Exterior sculpture, fountains, flags and similar items must be approved by the Architectural Committee. Provided, However, nothing contained in this Declaration shall prohibit the appropriate display of the American Flag.

Section 14.16 Animals and Pets. No animals, wildlife, livestock, insects, reptiles or poultry of any kind shall be raised, bred, harbored or kept on any Lot except that the Owner may keep three (3) domesticated household pets. No such pets shall be kept for any commercial purpose, and any such pets may be kept only so long as they or any of them do not become an annoyance or nuisance to the neighborhood. All pets, at all times when they are outside a residence, must be confined on a leash held by a responsible Person and kept under the close supervision of their Owners. Pets shall only be permitted in the Glenlakes Unit One Common Area if portions in the Glenlakes Unit One Common Area are so designated by the Master Association or the Glenlakes Unit One Association. All Persons bringing a pet onto the Glenlakes Unit One Common Area shall be responsible for immediately removing any solid waste of said pet. Those pets which, in the sole discretion of the Master Association or the Glenlakes Unit One Association, endanger health, make objectionable noise or constitute a nuisance or inconvenience to the Owners of other Lots or the Owner of any portion of the Glenlakes Unit One shall be removed upon request of the Master Board of Directors or the Glenlakes Unit One Association.

Section 14.17 Temporary Structures. No temporary building, trailer, garage or building in the course of construction or other temporary structure shall be used, temporarily or permanently, as a residence or temporary housing or the like on any Lot. If approved by the Architectural Committee, such a structure may be used as a security station during construction or other special purpose.

Section 14.18 Pipes. To the extent of the interest of the Owners of a Lot, no water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any Lot above the surface of the ground.

Section 14.19 Clothes Lines. No clothing or any other household fabric shall be hung in the open on any Lot and no clothes lines or clothes hanging devices shall be kept or maintained on any Lot.

Section 14.20 Chimney Flues. Exposed chimney flues shall be enclosed.

Section 14.21 Carports and Garages. No carports may be constructed on any Lot. Garages shall open toward a road unless approved by the Architectural Committee.

Section 14.22 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Architectural Committee. Under no circumstances shall solar panels be installed that will be visible from any road or the Glenlakes Unit One Common Area in Glenlakes Unit One.

Section 14.23 Oil or Gas Tanks, Pools, Swimming Pool Equipment. All swimming pool equipment and housing must be placed in walled-in or screened areas or landscaped area so that they are not visible from the Glenlakes Unit One Common Area, road or adjoining property. No oil tanks or bottled gas tanks shall be allowed on any Lot or on the Glenlakes Unit One Common Area. Provided, However, two (2) bottled natural gas tanks no larger than five (5) gallons in size may be kept on a Lot for the purpose of cooking with a gas grill and so long as said natural gas tank is placed in a screened area and so that they are not visible from any Glenlakes Unit One Common Area, road or adjoining property.

No above ground pools shall be erected, constructed or installed on any Lot except that above ground spas or jacuzzis may be permitted with approval of the Architectural Committee. Any inground pool to be constructed on any Lot shall be subjected to the requirements of the Architectural Committee, which include, but are not limited to, the following:

A. Composition to be of material thoroughly tested and accepted by the industry for such construction;

B. Pool screening may not be visible from the street in front of the Lot; and

c. All screening material shall be of a color in harmony with the Lot. No raw aluminum color screen will be allowed.

Section 14.24 Irrigation. No sprinkler or irrigation system of any type that draws upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within Glenlakes Unit One shall be installed, constructed or operated within Glenlakes Unit One by any Person, other than the Master Association, the Glenlakes Unit One Association or the Declarant, or to be utilized by any group of Lots, unless prior written approval has been received from the Architectural Committee. All sprinkler and irrigation systems must be installed underground and shall be subject to approval of the Architectural Committee.

Section 14.25 Wells and Drainage. Except as provided in this Declaration, no private water system shall be located on any Lot. Provided, However, the Declarant or the Master Association or the Glenlakes Unit One Association shall have the right to install a private water system or systems on any Lot or other property owned by the Declarant. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No community wells or community water systems shall be allowed except the water system provided by any governmental entity.

Section 14.26 Storm Precautions. No hurricane or storm shutters shall be permanently installed on any structure on a Lot unless first approved by the Architectural Committee. Hurricane or storm shutters may be installed temporarily, and other storm precautions may be taken to protect structures on a Lot, while

the threat of a hurricane or similar storm is imminent; provided, all such shutters and other exterior alterations or additions made as a storm precaution shall be promptly removed once the storm or imminent threat of the storm has passed.

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Section 14.27 Window Coverings, Etc. Reflective window coverings are prohibited. No awnings, canopies, shutters, patio cover, building or storage unit of any kind shall be erected, placed or permanently installed on any Lot unless first approved by the Architectural Committee.

Section 14.28 Play Equipment, Strollers, Etc. All bicycles, tricycles, scooters, skateboards and other play equipment, wading pools, baby strollers and similar items shall be stored so as not to be visible from roads or property adjacent to the Lot. No such items shall be allowed to remain on the Glenlakes Unit One Common Area or on Lots so as to be visible from adjacent property or the road when not in Use. Provided, However, the Architectural Committee may, but shall not be obligated to, permit swing sets and similar permanent playground equipment to be erected on the Lots provided approval is obtained from the Architectural Committee. No baseball cages or similar recreational facilities shall be permitted without approval of the Architectural Committee.

Section 14.29 Golf Carts. Golf carts shall be stored only in garages serving the Lot of the owner of said golf cart or other areas specifically designated by the Architectural Committee as golf cart parking areas. No golf cart shall be placed, parked or stored on the lawn of any Lot. No golf cart shall be operated on other than designated golf cart paths, if any. All golf carts shall be kept in good order and repair. No child under the age of sixteen (16) shall be permitted to operate a golf cart on Glenlakes Unit One.

Section 14.30 Mineral Operations Prohibited. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind whatsoever shall be permitted upon any Lot, nor shall oil wells, derricks, tanks, tunnels, mineral excavations or shafts be erected or permitted to remain on any Lot. Provided, However, it is understood that this prohibition does not affect the rights of mineral Owners or Owners of any interest in minerals that may have been previously reserved or conveyed to others.

Section 14.31 Insurance Rates. Nothing shall be done or kept on any Lot or in any improvement or the Glenlakes Unit One Common Area which will increase the rate of insurance on any property insured by the Glenlakes Unit One Association or the Master Association without the approval of the Glenlakes Unit One Board of Directors or the Master Association Board of Directors, nor shall anything be done or kept on any Lot which would result in the cancellation of insurance on any property insured by the Glenlakes Unit One Association or the Master Association or which would be in violation of any law.

Section 14.32 Completion of Construction. All homes and other structures, landscaping and other improvements must be completed within nine (9) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergencies or natural calamities in which case the Architectural Committee may grant a three (3) month extension. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. During the continuation of construction, the Owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools, construction material and debris from the Lot. Any damage to roads, paths, the Glenlakes Unit One Common Property or any other property owned by any Person or entity caused by the Owner or the agent of the Owner, contractor or other party providing labor or services to the Owner shall be repaired by the Owner.

Section 14.33 Occupants Bound. All provisions of the Master Declaration, Master By-Laws, this Declaration, the Glenlakes Unit One By-Laws and of any Rules and Regulations or use

restrictions that govern the conduct of the Owners and that provide for sanctions against the Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all occupants of said Lot to comply with the Master Declaration, the Master By-Laws, this Declaration, the Glenlakes Unit One By-Laws and the Rules and Regulations, and shall be responsible for all violations and losses to Glenlakes Unit One caused by those occupants, notwithstanding the fact that those occupants of a Lot are fully liable and may be sanctioned for any violation of the Master Declaration, the Master By-Laws, this Declaration, the Glenlakes Unit One By-Laws and Rules and Regulations.

Section 14.34 No Discrimination. No action shall at any time be taken by the Declarant, the Master Association, the Master Board of Directors, the Glenlakes Unit One Association or the Glenlakes Unit One Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

Article XV

Annexation of Additional Property

The provisions of Article XV of the Master Declaration are incorporated in this Declaration as though Article XV of the Master Declaration was set out in full in this Declaration. The provisions of Article XV of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Article XVI

Amendment

The Declarant may unilaterally amend this Declaration so long as the Declarant owns any Lots in the Properties (including Glenlakes Unit One), or owns any property in the Properties, (including Glenlakes Unit One) or owns any property described on the Conceptual Master Plan. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of the Glenlakes Unit One Members representing seventy-five percent (75%) of the total votes of the Glenlakes Unit One Members. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Baldwin County, Alabama.

If an Owner consents to any amendment to this Declaration or the Glenlakes Unit One By-Laws, said consent will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to the Mortgagees in this Declaration without the prior written consent of such Mortgagees.

This Declaration shall not be amended without the prior written consent of the Declarant, so long as the Declarant owns any Lots in the Properties (including Lots in Glenlakes Unit One), or owns any property in the Properties, (including any property in Glenlakes Unit One) or owns any property described on the Conceptual Master Plan.

Article XVII

Mortgagee Rights

The provisions of Article XVII of the Master Declaration are incorporated in this Declaration as though Article XVII of the Master Declaration was set out in full in this Declaration. The provisions of Article XVII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

Article XVIII
Rights of Declarant

The provisions of Article XVIII of the Master Declaration are incorporated in this Declaration as though Article XVIII of the Master Declaration was set out in full in this Declaration. The provisions of Article XVIII of the Master Declaration apply to Glenlakes Unit One and to the Glenlakes Unit One Common Property.

trustOf

Article XIX
Golf Club

The provisions of Article XIX of the Master Declaration are incorporated in this Declaration as though Article XIX of the Master Declaration was set out in full in this Declaration.

Article XX
Lake

The provisions of Article XX of the Master Declaration are incorporated in this Declaration as though Article XX of the Master Declaration was set out in full in this Declaration.

Article XXI
General Provisions

Section 21.1 Term. The covenants and restrictions of this Declaration shall run with and bind Glenlakes Unit One, and shall inure to the benefit of and shall be enforceable by the Declarant, the Master Association, the Glenlakes Unit One Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a Majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 21.2 Severability. If any Article, part, clause, provision or condition of this Declaration is held to be void, invalid or inoperative, such voidness, invalidity or inoperativeness shall not affect any other Article, clause, provision or condition of this Declaration, but the remainder of this Declaration shall be effective as though such Article, clause, provision or condition had not been contained therein.

Section 21.3 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Glenlakes Unit One Association unless approved by a vote of seventy-five percent (75%) of the Glenlakes Unit One Members and approved by the Declarant so long as the Declarant owns any Lots in Glenlakes Unit One, or any property described on the Conceptual Master Plan. This Section 21.3 shall not apply, however, to (a) actions brought by the Glenlakes Unit One Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of the Glenlakes Unit One Assessments as provided in this Declaration, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Glenlakes Unit One Association in proceedings instituted against the Glenlakes Unit One Association. This Section 21.3 shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 21.4 Cumulative Effect' Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Master Declaration. Provided, However, if there are conflicts between the provisions of this Declaration and the provisions of the Master Declaration or conflicts in the exercise of any powers between the Master Association and the Glenlakes Unit One Association, then the provisions in the Master Declaration and the powers granted to the Master Association shall prevail and be controlling.

Section 21.5 Unrestrictive Right of Transfer. The right of a Lot Owner to sell, transfer or otherwise convey said Lot shall not be subject to any right of first refusal or a similar restriction.

Section 21.6 No Restrictions on Mortgaging. Anything construed in this Declaration to the contrary, there shall be no restrictions on a Lot Owner's right to Mortgage a Lot.

Section 21.7 Acceptance by Grantee. The grantee of any Lot subject to the coverage of this

Declaration, by acceptance of the Deed or other instrument conveying an interest in or title to, or the execution of a contract for the purchase of a Lot, whether from the Declarant or a subsequent Owner of such Lot, shall accept such Deed or other contract upon and subject to each and all of the terms and conditions set out in this Declaration.

Section 21.8 Indemnity for Damages. Each and every Lot Owner and future Lot Owner, in accepting a Deed or contract for any Lot subject to this Declaration, agrees to indemnify the Declarant for any damage caused by such Owner, or the contractor, agent or employees of such Owner, to private access areas, streets, roads, gutters, walkways or other aspects of private or public ways, including all surfacing thereon or to water, drainage or storm sewer lines or sanitary sewer lines owned by the Declarant, or for which the Declarant has responsibility, at the time of such damage.

Section 21.9 Captions, Gender and Grammar. The captions preceding the various sections, paragraphs and subparagraphs of this Declaration are for the convenience of reference only, and none of them shall be used as an aid to the construction of any provision in this Declaration. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

Section 21.10 Effect of Violation on Mortgage Lien. No violation of any of the terms and conditions of this Declaration shall defeat or render invalid the lien of any Mortgage made or reserved in good faith and for value upon any portion of Glenlakes Unit One. Provided, However, that any Mortgagee in actual possession, or any purchaser at any judicial or non-judicial foreclosure by a Mortgage sale shall be bound by and subject to this Declaration as fully as any other Owner of any portion of Glenlakes Unit One.

Section 21.11 No Reverter. No provision of this Declaration is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

Section 21.12 Enforcement. In the event of a violation or breach of any of this Declaration, the Glenlakes Unit One By-Laws or the Rules and Regulations by any Owner, or employee, agent, or lessee of such Owner, the Owner(s) of Lot(s), the Master Association, the Glenlakes Unit One Association, the Declarant (so long as the Declarant owns any Lots in Glenlakes Unit One, or any property in Glenlakes Unit One, or any property described on the Conceptual Master Plan) their successors and assigns, shall each have the right to proceed at law or in equity to compel compliance with the terms and conditions of this Declaration, to prevent the violation or breach of the Glenlakes Unit One Declaration, the Glenlakes Unit One By-Laws or the Rules and Regulations to sue for and recover damages or other dues, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate. No delay or failure on the part of an aggrieved party to initiate an available remedy set forth in this Declaration shall be held to be a waiver of that party or an estoppel of that party or of any other party to assert any right available to said party upon the recurrence or continuation of said violation or the occurrence of a different violation.

Damages shall not be deemed adequate compensation for any breach or violation of any provision of this Declaration, but any Person or entity entitled to enforce any provision in this Declaration shall be entitled specifically to relief by way of injunction as well as any other available relief either at law or in equity.

Any party to a proceeding who succeeds in enforcing this Declaration, the Glenlakes Unit One By-Laws or the Rules and Regulations or enjoining the violation of this Declaration against a Lot Owner may be awarded a reasonable attorney's fee against such Lot Owner.

Section 21.13 Certificate of Violation. In addition to any other rights or remedies available to the Master Association, the Glenlakes Unit One Association or the Declarant under this Declaration or at law or equity, the Declarant, the Master Association or the Glenlakes Unit One Association shall have the right to file in the records of Baldwin County, Alabama, a Certificate or Notice of Violation of this Declaration (which violation shall include, without limitation, nonpayment of the annual charges and/or failure to comply with architectural guidelines) upon failure of a Lot Owner to correct a violation of this Declaration within thirty (30) days after written notice of the violation has been given by the Declarant, the Master Association or the Glenlakes Unit One Association to the Lot Owner.

Section 21.14 Estoppel Certificate. Upon the request of any of the Glenlakes Unit One Members, the Glenlakes Unit One Board of Directors, or designee, shall furnish a written certificate signed by an officer or agent of the Glenlakes Unit One Association regarding unpaid Glenlakes Unit One Assessments levied against the property of the Glenlakes Unit One Member in violation of this Declaration, the Glenlakes Unit One By-Laws, use restrictions, Rules and Regulations by any Owner or occupant of Glenlakes Unit One. Such certificate shall bind the Glenlakes Unit One Association with respect to the foregoing matters. The Glenlakes Unit One Association may require the advance payment of a reasonable processing fee.

Section 21.15 Interpretation of this Declaration. The Declarant, the Master Association or the Glenlakes Unit One Association shall have the right to construe and interpret the provisions of this Declaration, and in absence of an adjudication by a court of competent jurisdiction to the contrary, its construction or interpretation shall be final and binding as to all Persons or Glenlakes Unit One benefitted or bound by the provisions of this Declaration.

Section 21.16 Assignment by the Master Association or the Glenlakes Unit One Association. The Master Association or the Glenlakes Unit One Association shall be empowered to assign the rights of the Master Association or the Glenlakes Unit One Association under this Declaration to any successor nonprofit membership corporation (the "Successor Corporation") and, upon such assignment, the Successor Corporation shall have all the rights and be subject to all the duties of the Master Association or the Glenlakes Unit One Association under this Declaration.

Section 21.17 Deviation. The Board of Directors of the Master Association or the Glenlakes Unit One Association or designee may, in the exercise of reasonable discretion, permit deviations from the restrictions contained in this Declaration, the Glenlakes Unit One By-Laws, the Rules and Regulations, the use restrictions and the architectural guidelines.

Section 21.18 Use of the Words "Glenlakes" or "Glenlakes Unit One at Glenlakes" or "Glenlakes Master Association" or "Glenlakes Property Owner's Association" or "Glenlakes Unit One at Glenlakes Property Owner's Association". No Person shall use the words "Glenlakes" or "Glenlakes Unit One at Glenlakes" or "Glenlakes Master Association" or "Glenlakes Property Owner's Association" or "Glenlakes Unit One at Glenlakes Property Owner's Association" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. Provided, However, Owners may use the terms "Glenlakes" or "Glenlakes Master Association" or "Glenlakes Unit One at Glenlakes" or "Glenlakes Property Owner's Association" or "Glenlakes Unit One at Glenlakes Property Owner's Association" in printed or promotional matter where such term is used solely to specify that particular property is located within Glenlakes Unit One.

Section 21.19 Security. The Glenlakes Unit One Association will strive to maintain Glenlakes Unit One as a safe, secure environment. HOWEVER, NEITHER THE GLENLAKES UNIT ONE ASSOCIATION, NOR THE DECLARANT, SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITES OF

ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE GLENLAKES UNIT ONE ASSOCIATION, AND THE DECLARANT AND THE COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THAT THE DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT,

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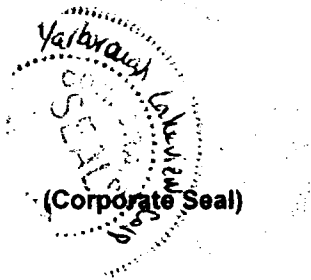
GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this Declaration to be duly executed on this the 8th day of May, 2001.

Declarant:

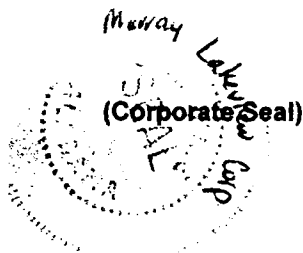
Glenlakes Realty Co., an Alabama General Partnership

By: Yarborough Lakeview Corp.



: *Joe F. Yarborough* C
By: Joe F. Yarborough
Its: President

By: Murray Lakeview Corp.



Bv: *Roger Murray*
Roger Murray
Its: President

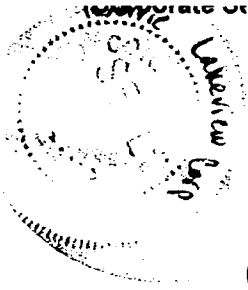
By:

Gorrie

Lakeview Corp.

By: *M. Miller Gorrie*
M. Miller Gorrie

Its: President



(Gorate Seal)

mentOf

STATE OF ALABAMA

COUNTY OF BALDWIN:

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Joe F. Yarborough, whose name as President of Yarborough Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership, 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, he, as such President and with full authority, executed the same voluntarily for and as the act of said Yarborough Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership.

Given under my hand and seal this 8th day of May, 2001.


Notary Public

My Commission Expires: 8/12/01

STATE OF ALABAMA:

COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Roger Murray, whose name as President of Murray Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership, 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,

he, as such President and with full authority, executed the same voluntarily for and as the act of said Murray Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership.
Given under my hand and seal this 8th day

of May, 2001.


Notary Public
My Commission Expires: 8/12/01

of May, 2001

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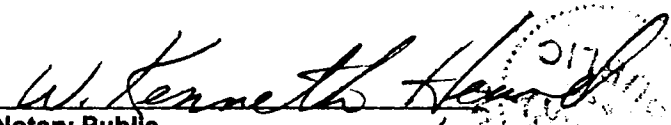
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STATE OF ALABAMA:

COUNTY OF BALDWIN:

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that M. Miller Gorrie, whose name as President of Gorrie Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership, 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, he, as such President and with full authority, executed the same voluntarily for and as the act of said Gorrie Lakeview Corp., acting in its capacity as a Partner of Glenlakes Realty Co., an Alabama General Partnership.

Given under my hand and seal this 8th day of May, 2001


Notary Public
My Commission Expires: 8/12/01

THIS INSTRUMENT PREPARED BY:

Sam W. Irby
Irby & Heard, P.C.
Attorneys at Law 317
Magnolia Avenue
Post Office Box 1031
Fairhope, Alabama 36533

(334)9284555

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Pages 31

State of Alabua, County I
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Erian T. Jdlns, Judge of Probate