

STATE OF ALABAMA :

COUNTY OF BALDWIN:

**SUPPLEMENTAL DECLARATION OF  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE PENINSULA, PHASE ONE, UNIT TWO**

This SUPPLEMENTAL DECLARATION made this 15 day of December, 1995, by H/M PARTNERS, L.L.C., an Alabama Limited Liability Company ("DECLARANT"), for itself, its successors, its grantees, and assigns.

**R E C I T A L S :**

1. The DECLARANT did subdivide certain real property located in Baldwin County, Alabama, under the name THE PENINSULA, PHASE ONE, as per plat thereof recorded in Slides 1562-A, 1562-B, 1563-A, 1563-B and 1564-A ("THE PENINSULA, PHASE ONE, FLAT") and subjected the property described on THE PENINSULA, PHASE ONE, FLAT to that certain MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PENINSULA, A RESIDENTIAL PLANNED COMMUNITY dated April 25, 1995 and recorded in Miscellaneous Book 83, Pages 9 through 48 (the "MASTER DECLARATION") and to that certain SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PENINSULA, PHASE ONE, dated April 26, 1995 and recorded in Miscellaneous Book 83, Pages 71 through 106 (the "PHASE ONE DECLARATION"). The terms used herein shall have the meaning for each stated in the MASTER DECLARATION and the PHASE ONE DECLARATION unless the context otherwise requires.

2. A MASTER ASSOCIATION of owners for the operation of THE PENINSULA, A RESIDENTIAL PLANNED COMMUNITY was formed under the Laws of the State of Alabama, known as THE PENINSULA MASTER ASSOCIATION, INC., (the "MASTER ASSOCIATION"). A PHASE ONE ASSOCIATION of owners for the operation of THE PENINSULA, PHASE ONE was formed under the laws of the State of Alabama known as THE PENINSULA PROPERTY OWNER'S ASSOCIATION, PHASE ONE, INC. (the "PHASE ONE ASSOCIATION").

3. The DECLARANT desires to add the real property described on the plat of THE PENINSULA, PHASE ONE, UNIT TWO, recorded in Slide 1617A ("THE PENINSULA, PHASE ONE, UNIT TWO, FLAT") to the MASTER DECLARATION and the PHASE ONE DECLARATION by incorporating the same into the MASTER DECLARATION and the PHASE ONE DECLARATION, the same as if the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT had been originally included therein, all in accordance with ARTICLE VIII of the MASTER DECLARATION and ARTICLE XVI of the PHASE ONE DECLARATION. It is the intent of the DECLARANT that the LOTS in THE PENINSULA, PHASE ONE and the LOTS in THE PENINSULA, PHASE ONE, UNIT TWO shall comprise one (1) NEIGHBORHOOD.

The recording references referred to herein are to the Office of the Judge of Probate, Baldwin County, Alabama.

NOW, THEREFORE, DECLARANT hereby makes the following SUPPLEMENTAL DECLARATION as to the use to which the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT and THE PENINSULA, PHASE ONE, FLAT and the improvements thereon may be put, hereby specifying that the MASTER DECLARATION and the PHASE ONE DECLARATION, as amended by this SUPPLEMENTAL DECLARATION, shall be binding upon the DECLARANT, its successors and assigns, and all owners of all or any part thereof of the real property and improvements described or located on THE PENINSULA, PHASE ONE, FLAT and THE PENINSULA, PHASE ONE, UNIT TWO, FLAT together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

A. Increment. As provided in ARTICLE VIII of the MASTER DECLARATION and ARTICLE XVI of the PHASE ONE DECLARATION, the DECLARANT elects to incorporate the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT into THE PENINSULA, PHASE ONE. The real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT shall be part of the PHASE ONE PROPERTY. The owners of the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT are hereby made subject to the MASTER DECLARATION and the PHASE ONE DECLARATION. The real property described in THE PENINSULA, PHASE ONE, UNIT TWO, FLAT shall be held, sold or conveyed subject to the easements, restrictions, covenants and conditions set out in the MASTER DECLARATION, the PHASE ONE DECLARATION and in this SUPPLEMENTAL DECLARATION which shall run with the real property and be binding on all parties having any right, title or interest in the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT. The LOTS in THE PENINSULA, PHASE ONE and the LOTS in THE PENINSULA, PHASE ONE, UNIT TWO shall comprise one (1) NEIGHBORHOOD.

B. Additional, Covenants, Conditions, Easements and Restrictions. The LOTS described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT are subject to the following additional covenants, conditions, easements and restrictions.

(1) Easements for Encroachment. There shall be reciprocal easements of encroachment as between each adjacent LOT shown on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or altered thereto (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each LOT shown on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an OWNER, tenant or the PHASE ONE ASSOCIATION.

(2) Leasing. LOTS shown on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT may be leased for residential purposes; provided, however, that all leases on LOTS shown on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT shall be for a minimum term of one (1) day (twenty-four (24) hours) and such lease and the rights of any tenants thereunder are hereby made expressly subject to the power of the PHASE 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 PHASE ONE BOARD or the MASTER ASSOCIATION BOARD deems appropriate, including eviction. All leases shall require, without limitation, that the tenant acknowledges receipt of a copy of the MASTER DECLARATION, MASTER ARTICLES OF INCORPORATION, MASTER BY-LAWS, PHASE ONE DECLARATION, PHASE ONE ARTICLES OF INCORPORATION, PHASE ONE BY-LAWS, SUPPLEMENTAL DECLARATION, and any rules and regulations of the MASTER ASSOCIATION and PHASE ONE ASSOCIATION. 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 or PHASE ONE BOARD, in addition to any other remedies available to them, may evict the tenant on behalf of the OWNER and specifically assess all costs associated therewith against the OWNER and the OWNER'S PROPERTY.

(3) Minimum Dwelling Area. The ground floor livable area (heated and cooled area) of the main building or structure, exclusive of open porches and garages, shall contain not less than one thousand eight hundred (1,800) square feet in the case of a one (1) story building or structure; or in the case of anything greater, the ground floor livable area (heated and cooled area) of the main building or structure, exclusive of open porches and garages, shall contain not less than one thousand (1,000) square feet, and a total minimum square footage for all of the living area (heated and cooled area) of the main building or structure shall be

not less than two thousand (2,000) square feet.

(4) PHASE ONE ASSOCIATION'S Responsibility for Maintenance. The PHASE ONE ASSOCIATION shall maintain the "yard" of each LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT including, but not limited to, cutting and edging grass, weeding flower beds, fertilizing grass and plants as needed, and replacing grass and plants as needed. Need shall be determined by the Directors of the PHASE ONE ASSOCIATION. The "yard" is defined as all portions of a LOT as described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT lying outside the exterior walls of any structure constructed on the LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT and shall include all landscaping, improvements and decorative and functional appurtenances thereto (not including structures or fences). The PHASE ONE ASSOCIATION may also maintain any portion of any road adjoining a LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT.

In addition to the assessments for COMMON PROPERTY provided for in this SUPPLEMENTAL DECLARATION, the PHASE ONE DECLARATION and in the MASTER DECLARATION, each LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT shall be assessed an equal portion of the budgeted cost and/or actual expenses in excess of the budgeted cost for the maintenance provided for in this Section. The Board of Directors of the PHASE ONE ASSOCIATION shall fix the annual or monthly assessment provided for herein in accordance with the provisions of the PHASE ONE DECLARATION. The terms and conditions of the PHASE ONE DECLARATION pertaining to covenants for maintenance assessments shall generally apply to the assessments provided for herein. Except by amendments as provided in the PHASE ONE DECLARATION, the additional assessments provided for in this Paragraph for the maintenance of the "yard" of LOTS described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT shall not be assessed against other OWNERS of LOTS in the PROPERTIES, except as provided in the PHASE ONE DECLARATION as to the OWNERS of LOTS C-1 THROUGH C-61, THE PENINSULA, PHASE ONE.

In the event that the need for maintenance of a LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT is caused through the willful or negligent acts of its OWNER or through the willful and negligent acts of the family, guest or invitees of the OWNER of the LOT described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT needing such maintenance or repair, the actual cost of such maintenance shall be added to and become part of the assessment to which such LOT is subject.

Some or all of the LOTS described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT may contain "PRIVACY FENCES" (sometimes referred to as "PRIVACY FENCE") running along part or all of the common boundary line between LOTS or within the bounds of a LOT. The PRIVACY FENCES, for the purposes of this SUPPLEMENTAL DECLARATION are defined as the walls or fences located on or near the LOT lines of the LOTS described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT. PRIVACY FENCES may be owned jointly by the owners of the LOTS on which the PRIVACY FENCES are located. Except as provided herein, the provisions of ARTICLE XII of the PHASE ONE DECLARATION shall apply to PRIVACY FENCES. ARTICLE XII, Section 12.4 of the PHASE ONE DECLARATION shall not apply to PRIVACY FENCES.

C. FULLDONS. The purpose of this SUPPLEMENTAL DECLARATION is to bring the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT within the scheme and operation of the MASTER DECLARATION and PHASE ONE DECLARATION as provided in the MASTER DECLARATION and the PHASE ONE DECLARATION. The operation and effect of the MASTER DECLARATION and the PHASE ONE DECLARATION are hereby extended to the real property described on THE PENINSULA, PHASE ONE, UNIT TWO, FLAT.

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D. Real Property. The real property owned by the DECLARANT that is herewith submitted to the MASTER DECLARATION and the PHASE ONE DECLARATION is that certain land, lying and being in the County of Baldwin, State of Alabama, and more particularly described on THE PENINSULA, PHASE ONE, UNIT TWO, PLAT.

E. Adoption. As herein altered and amended, the MASTER DECLARATION and the PHASE ONE DECLARATION and every part and provision thereof are in all respects ratified and confirmed and by reference adopted and incorporated herein, the same as if fully set forth herein.

F. Rights of DECLARANT. All of the rights and privileges reserved or granted to the DECLARANT in the MASTER DECLARATION or the PHASE ONE DECLARATION are hereby specifically incorporated in this SUPPLEMENTAL DECLARATION as if set out herein in full.

G. Private Non-Exclusive Roadway Easement. The PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT designated on THE PENINSULA, PHASE ONE, UNIT TWO, PLAT is a non-exclusive private ingress and egress easement and is NOT DONATED, DEDICATED NOR GRANTED to the public. The PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT will be transferred by the DECLARANT to the MASTER ASSOCIATION for use as a non-exclusive private roadway easement and as common property of the MASTER ASSOCIATION as more particularly described in the MASTER DECLARATION and the PHASE ONE DECLARATION and in a separate easement instrument. The DECLARANT shall retain fee simple title to the property described as the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT. The PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT shall be subject to the use and rights of others as described in the MASTER DECLARATION and the PHASE ONE DECLARATION.

The DECLARANT is exempted (except as specifically provided in this MASTER DECLARATION) from the requirement of the payment of any fees, dues or assessments to the MASTER ASSOCIATION or the PHASE ONE ASSOCIATION or any property owner's association for the right and easement to use the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT for any purpose which the DECLARANT may choose.

DECLARANT hereby expressly reserves for itself, its successors and assigns, the right to grant to certain, but not necessarily all, owners of real property adjacent to the PROPERTIES which is not part of the PROPERTIES a non-exclusive easement and right to use the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT for ingress and egress, access, utilities and other uses as set out in the MASTER DECLARATION which shall include the right to pass through any security gate, if a security gate exists. This right of access shall be subject to such other conditions, limitations and obligations as DECLARANT, in the exercise of its sole and absolute discretion, shall determine. See other terms and conditions of the MASTER DECLARATION for additional terms and conditions concerning the right of the DECLARANT to create and/or use easements throughout the PROPERTIES.

Notwithstanding any provisions contained in this SUPPLEMENTAL DECLARATION to the contrary, neither the MASTER ASSOCIATION nor any OWNER, other than the DECLARANT, shall grant to a third party any easement or other right in and to the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT. The DECLARANT hereby expressly reserves unto itself, its successors and assigns, the right to grant to third parties the rights pertaining to the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT as provided in the MASTER DECLARATION.

Notwithstanding any provisions contained in this SUPPLEMENTAL DECLARATION to the contrary, DECLARANT hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege and blanket easement with respect to the PROPERTIES and the COMMON AREA, including the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT, for the benefit of the DECLARANT, its successors and assigns, and for the benefit of any property described on the

CONCEPTUAL MASTER PLAN over, under, in and/or on the PROPERTIES or COMMON PROPERTY or PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT without further obligation and without charge to the 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 the PROPERTIES or COMMON PROPERTY or the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT or any other property adjoining the PROPERTIES. The reserved easement shall constitute a burden on the title to the PROPERTIES, the COMMON PROPERTY and the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT and specifically includes but is not limited to:

(1) The right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the PROPERTIES and the COMMON PROPERTY, including the PRIVATE NON-EXCLUSIVE PRIVATE ROADWAY EASEMENT; and the right to tie into any portion of the PROPERTIES or COMMON PROPERTY, including the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT, 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 the PROPERTIES or COMMON PROPERTY or the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT; and

(2) 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 the PROPERTIES, COMMON PROPERTY, or in any portion of the ADDITIONAL PROPERTY.

(3) No rights, privileges and easements granted or reserved herein shall be merged into the title of any property, including, without limitation, the PROPERTIES or COMMON PROPERTY, including the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT, 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 referenced thereto.

So long as DECLARANT continues to have rights under this Section, no PERSON or entity shall record any declaration of covenants, conditions and restrictions or similar instrument affecting any portion of the PROPERTIES or COMMON PROPERTY without the review and written consent thereof by DECLARANT, and any attempted recordation without compliance herewith 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 the DECLARANT.

This Section may not be amended without the express written consent of the DECLARANT; provided, however, the rights contained in this Section shall terminate upon the earlier of (a) twenty (20) years from the date the MASTER DECLARATION is recorded, or (b) upon recording by DECLARANT of a written statement releasing its rights under this Section.

(H) Reservation of Controlled Access Easement.

(1) Waiver of Unlimited Access. Each OWNER, by acceptance of a deed or other instrument conveying any interest in any LOT does hereby waive all rights of uncontrolled and unlimited access, ingress to and egress from such LOT and acknowledges and agrees that (i) in order to provide quiet enjoyment, access and ingress to and egress from the LOT may be controlled, restricted and limited to exclude the general public therefrom, and (ii)

access, ingress to and egress from the LOT shall be limited to the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT, sidewalks, walkways, paths, trails and bicycle and jogging paths and lanes designated as COMMON AREAS by DECLARANT; provided, however, that, subject to the terms and provisions of the MASTER DECLARATION and the PHASE ONE DECLARATION, vehicular and pedestrian access to and from all LOTS shall be provided at all times. Notwithstanding anything provided to the contrary in the MASTER DECLARATION, (a) during any activity held on the GOLF CLUB AND TENNIS CENTER property or any events held in connection with the BEACH AREA property which utilize any portion of the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT for access purposes, DECLARANT reserves the right to limit and restrict access to the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT and any of the COMMON AREAS of the PROPERTIES and, to the extent practicable, to make portions of the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT one-way roads, and (b) DECLARANT reserves unto itself and its successors and assigns all other rights and easements as contained in the MASTER DECLARATION. The ASSOCIATION shall not have the right to make any portions of the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT one-way roads without the specific written approval of the DECLARANT, so long as DECLARANT retains control as provided for herein and in the MASTER DECLARATION and the PHASE ONE DECLARATION.

(2) Right to Install Limited Access Facilities. DECLARANT does hereby establish and reserve for itself, the MASTER ASSOCIATION, and their respective successors and assigns, the right and privilege, but not the obligation, to (i) maintain guarded or electronically-monitored gates controlling, limiting and restricting vehicular and pedestrian access to and from any portion of the PROPERTIES and (ii) require payment of toll charges for use of any private roads within the PROPERTIES by permitted commercial traffic or by members of the general public, provided that in no event shall any such tolls be applicable to (1) any OWNER or Occupant, (2) any MORTGAGEE or its designated representative, (3) any member, guest, family member, invitee, employee, agent of any member of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or any other person or persons from time to time designated by the DECLARANT who shall be afforded access to those portions of the PROPERTIES necessary or required for access, ingress to or egress from, maintenance, operation and use of the GOLF CLUB AND TENNIS CENTER or BEACH AREA, (4) any of the Governmental Authorities or their designated agents and representatives or (5) DECLARANT and those individuals designated from time to time by DECLARANT to be afforded access to the PROPERTIES as described in this SUPPLEMENTAL DECLARATION and as described elsewhere in the MASTER DECLARATION.

I. BUFFER AREA. Title to all property designated on THE PENINSULA, PHASE ONE, UNIT TWO, PLAT as "BUFFER" is reserved by DECLARANT for possible future development by DECLARANT and the BUFFER is dedicated to the City of Gulf Shores, Alabama, as open space on the express condition that the BUFFER AREA may later be relocated if approved by the Planning Commission of the City of Gulf Shores, Alabama.

J. Private Ingress and Egress Easement. DECLARANT hereby expressly reserves unto itself, and its successors and assigns, a non-exclusive perpetual right, privilege and private easement with respect to the PRIVATE INGRESS AND EGRESS EASEMENT shown on THE PENINSULA, PHASE ONE, UNIT TWO, PLAT for the benefit of DECLARANT, its successors and assigns, and for the benefit of and in connection with the property adjoining THE PENINSULA, PHASE ONE, UNIT TWO, for the purposes of ingress, egress, maintenance and utilities, including but not limited to use by employees, designees, guests and invitees of DECLARANT, or members and guests of the GOLF CLUB AND TENNIS CENTER. The PRIVATE INGRESS AND EGRESS EASEMENT is not dedicated, donated nor given to the public and shall be a private right reserved to DECLARANT and its successors and assigns. The PRIVATE INGRESS AND EGRESS EASEMENT shall be an easement appurtenant for the benefit of the property adjoining THE PENINSULA, PHASE ONE, UNIT TWO, and shall run with the land.

DECLARANT hereby expressly reserves for itself, its successors and assigns, the right to grant to other persons the right to use the PRIVATE INGRESS AND EGRESS EASEMENT. The right of access, ingress and egress shall be subject to such other conditions, limitations and obligations as DECLARANT, or its successors and assigns, in the exercise of its sole and absolute discretion, shall determine. Neither the MASTER ASSOCIATION nor the PHASE ONE ASSOCIATION nor any owner, other than DECLARANT or its successors and assigns, shall grant to a third party any easement or other right in or to the PRIVATE INGRESS AND EGRESS EASEMENT. The PRIVATE INGRESS AND EGRESS EASEMENT referred to in this paragraph is not the same as the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT.

**K. GOLF CLUB and TENNIS CENTER and BEACH AREA, etc.**  
**General.**

(1) Neither membership in the MASTER ASSOCIATION nor membership in the PHASE ONE ASSOCIATION nor ownership or occupancy of a LOT shall confer any ownership interest in or right to use or enter the GOLF CLUB AND TENNIS CENTER, BEACH AREA or any other property described on the CONCEPTUAL MASTER PLAN which is owned by DECLARANT. Rights to use the GOLF CLUB AND TENNIS CENTER or BEACH AREA 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 respective owners of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or the owners of the property described on the CONCEPTUAL MASTER PLAN which have not become part of the PROPERTIES. The owner of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the owner of the properties described on the CONCEPTUAL MASTER PLAN which are not part 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 GOLF CLUB AND TENNIS CENTER and BEACH AREA 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 GOLF CLUB AND TENNIS CENTER and BEACH AREA may or may not be used by the general public, at the sole discretion of the owner of the GOLF CLUB AND TENNIS CENTER or BEACH AREA.

(2) Conveyance of GOLF CLUB AND TENNIS CENTER and BEACH AREA and other Properties. All persons, including all OWNERS, are hereby advised that no representations or warranties have been or are made by the DECLARANT or any other person with regard to the continuing ownership or operation of the GOLF CLUB AND TENNIS CENTER and BEACH AREA or any property described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment hereto executed or joined into by the DECLARANT. Further, the ownership, management or operational duties of and as to the GOLF CLUB AND TENNIS CENTER and BEACH AREA or any property described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES may change at any time and from time to time by virtue of, but without limitation, the sale or assumption of operations of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES by/to an independent person, or the conveyance, pursuant to contract, option, or otherwise, of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES to one (1) or more members, affiliates, shareholders, employees, partners or independent contractors of DECLARANT. As to any of the foregoing or any other alternative, no consent of the MASTER ASSOCIATION, any NEIGHBORHOOD, or any OWNER shall be required to effectuate such transfer.

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(3) Rights of Access and Parking. The GOLF CLUB AND TENNIS CENTER and the BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES, their members (regardless of whether such members are OWNERS hereunder), guests and invitees, and the employees, agents, contractors and designees of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES, shall at all times have a right and non-exclusive easement of access and use over all roadways located within the PROPERTIES reasonably necessary to travel from/to the entrance to the PROPERTIES to/from the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES, respectively, and, further, over those portions of the PROPERTIES (whether COMMON AREA or otherwise) reasonably necessary to the operation, maintenance, repair and replacement of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES. Without limiting the generality of the foregoing, members of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or owners and invitees of the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES and permitted members of the public shall have the right to park their vehicles on the roadways located within the PROPERTIES at reasonable times before, during and after golf tournaments and other approved functions held by/at the GOLF CLUB AND TENNIS CENTER or BEACH AREA or by the owner or owners of the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES.

(4) Architectural Control. Neither the MASTER ASSOCIATION, the PHASE ONE ASSOCIATION, the ARCHITECTURAL COMMITTEE, nor any NEIGHBORHOOD ASSOCIATION or COMMITTEE or BOARD thereof, shall approve or permit any construction, addition, alteration, change or installation on or to any portion of the PROPERTIES which is adjacent to, or otherwise in the direct line of sight of any GOLF CLUB AND TENNIS CENTER or BEACH AREA to a distance of one hundred (100) feet, without giving the owner of the GOLF CLUB AND TENNIS CENTER and BEACH AREA at least thirty (30) days' prior notice of its intent to approve or permit the same together with copies of the request therefor and all other documents and information finally submitted in such regard. The owner of the GOLF CLUB AND TENNIS CENTER or BEACH AREA shall then have fifteen (15) days to approve or disapprove the proposal in writing delivered to the appropriate committee or association, stating in detail the reasons for any disapproval. This Section shall also apply to any work on the COMMON AREAS hereunder or any common property or common elements of a NEIGHBORHOOD ASSOCIATION, if any.

(5) Limitations on Amendments. In recognition of the fact that the provisions of this Section are for the benefit of the owner of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the owner of the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES, no amendment to this Section, and no amendment in derogation hereof to any other provisions of this SUPPLEMENTAL DECLARATION, which affects the GOLF CLUB AND TENNIS CENTER or BEACH AREA or the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES may be made without the written approval of by the affected owner of the GOLF CLUB AND TENNIS CENTER or BEACH AREA or the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES. The foregoing shall not apply, however, to amendments made by the DECLARANT.

(6) Jurisdiction and Cooperation. It is the intention of DECLARANT that the MASTER ASSOCIATION and the PHASE ONE ASSOCIATION and the owner of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the owner of the property described on the CONCEPTUAL MASTER PLAN which is not part of the PROPERTIES shall cooperate to the maximum extent possible in the operation of the PROPERTIES and the GOLF CLUB AND TENNIS CENTER and BEACH AREA and

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the property described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES. Each shall reasonably assist the other in upholding the COMMUNITY-WIDE STANDARD as it pertains to maintenance and the COMMUNITY DEVELOPMENT CODE AND LAND USE STANDARDS. Except as specifically provided in the MASTER DECLARATION herein or in the BY-LAWS of the MASTER ASSOCIATION, the MASTER ASSOCIATION nor the PHASE ONE ASSOCIATION shall have no power to promulgate rules and regulations affecting activities on or use of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES without the prior written consent of the affected owner of the GOLF CLUB AND TENNIS CENTER and BEACH AREA and the property described on the CONCEPTUAL MASTER PLAN which are not part of the PROPERTIES.

IN WITNESS WHEREOF, the DECLARANT has caused this instrument to be executed on the day and year first above referred to.

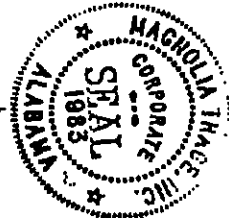
H/M PARTNERS, L.L.C., an  
Alabama Limited Liability Company

BY: HEAD (H/M), L.L.C., an  
Alabama Limited Liability Company  
Its: Member

BY:   
\_\_\_\_\_  
DAVID H. HEAD  
Its: Member

BY: MAGNOLIA TRACE, INC., an  
Alabama Corporation  
Its: Member

BY:   
\_\_\_\_\_  
J. M. PHILLIPS  
Its: Vice President of Finance



(CORPORATE SEAL)

BY: ABC ENTERPRISES, LTD., an  
Alabama Limited Partnership  
Its: Member

BY: ABC HOLDINGS, L.L.C., an  
Alabama Limited Liability  
Company  
Its: General Partner

BY:   
\_\_\_\_\_  
J. M. PHILLIPS  
Its: Authorized Agent

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**CONSENT**

This SUPPLEMENTAL DECLARATION OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PENINSULA, PHASE ONE, UNIT TWO, is being joined into herein by ANSOUTH BANK OF ALABAMA for the purpose of consenting thereto and for the purpose of consenting to the conveyance of the PRIVATE NON-EXCLUSIVE ROADWAY EASEMENT from the DECLARANT to the MASTER ASSOCIATION.


**ANSOUTH BANK OF ALABAMA**

BY: *R. Scott R*  
Its *Agent*

STATE OF ALABAMA :  
COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that DAVID H. HEAD, whose name as Member of HEAD (H/M), L.L.C., an Alabama Limited Liability Company, acting in its capacity as a Member of H/M PARTNERS, L.L.C., an Alabama Limited Liability Company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, DAVID H. HEAD, as Member of HEAD (H/M), L.L.C., an Alabama Limited Liability Company and with full authority, executed the same voluntarily for and as the act of HEAD (H/M), L.L.C., an Alabama Limited Liability Company, acting in its capacity as a Member of H/M PARTNERS, L.L.C., an Alabama Limited Liability Company.


Given under my hand and seal this 15th day of December, 1995.

*Marion Tucker*  
NOTARY PUBLIC  
My Commission Expires: 1997  


STATE OF ALABAMA :  
COUNTY OF BALDWIN :

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that J. M. PHILLIPS, whose name as Vice President of Finance of MAGNOLIA TRACE, INC., an Alabama Corporation, acting in its capacity as a Member of H/M PARTNERS, L.L.C., an Alabama Limited Liability Company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, J.M. PHILLIPS, as Vice President of Finance of MAGNOLIA TRACE, INC., an Alabama Corporation and with full authority, executed the same voluntarily for and as the act of MAGNOLIA TRACE, INC., an Alabama Corporation, acting in its capacity as a Member of H/M PARTNERS, L.L.C., an Alabama Limited Liability Company.

Given under my hand and seal this 14th day of December, 1995.

*Cindy A. Ward*  
NOTARY PUBLIC  
My Commission Expires: 1997  


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