

**RULES AND REGULATIONS
CONCERNING THE USE AND ENJOYMENT OF
CARIBE RESORT, A CONDOMINIUM
(EFFECTIVE APRIL 16, 2002)**

GENERAL COMMUNITY RULES

In addition to those rules and regulations contained in Articles VIII and XV of the Declaration of Condominium of Caribe Resort, a condominium, (Capitalized words have the same meaning as those contained in the Declaration unless the content otherwise requires) the following rules are hereby adopted by Caribe Resort Condominium Association, Inc., (the "Association"):

1. The facilities of Caribe Resort, a condominium (the "Condominium") are for the use of Condominium Unit Owners and their family, guests, invitees, Occupants or tenants.

2. Designated walkways and paved areas shall be used at all times and shortcuts shall be avoided, both to prevent accidents and to preserve the appearance of planted areas. No motorized vehicle shall be operated on any walkway or other area except upon the driveways and parking areas designated for vehicular use. Motorcycles, motor bikes, motor scooters, recreational vehicles or other similar vehicles shall not be operated within the Property except for the purpose of ingress or egress or transportation, it being intended that said vehicles shall not be operated so as to annoy or disturb persons or endanger persons or property.

3. No clothes, sheets, towels, blankets, laundry of any kind or other articles shall be hung out, shaken or exposed on or from doors or windows or any part of the Common Areas. Under no circumstances shall laundry or other articles be placed or hung on the exterior portions of a Unit. The Common Areas shall be kept clear of rubbish, debris and other unsightly materials.

4. For the purpose of aesthetics and uniformity, all drapes or window treatments or the lining thereof which face the exterior of a window or other type of transparent opening, doorway or window and/or which can be seen or viewed

from the exterior of the building shall be white and can not contain a pattern or design. Any color other than white or any pattern must be approved in writing by the Association Board of Directors.

5. No one will make or permit any noxious or offensive activities to be carried on, nor shall any outside lighting or sound speakers or other sound producing devices be used, nor shall anything be done which will interfere with the rights or others, nor shall anything be done on any part of the Condominium Property which, in the judgment of the Board of Directors, may be or become an unreasonable annoyance or nuisance to the other Unit Owners or Occupants, or be in violation of the U. S. Fish and Wildlife Permit (the "Permit").

6. No boisterous or rough play shall be permitted in the hallways, elevators, corridors, lobbies, or other Common Areas.

7. No immoral, improper, offensive or unlawful use shall be made of any Unit or the Common Areas, or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Condominium Property shall be observed.

8. Each Owner shall keep such Owner's Unit in good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or window or balconies thereof, any dirt or other substance. All garbage and refuse shall be deposited with care in garbage containers intended for such purpose only at such times and in such manner as the Board of Directors may direct. Garbage shall be deposited in the garbage collection areas designed for the purpose in order to accommodate the garbage pickup service. No trash or other articles shall be burned, and all disposals shall be in accordance with such further rules and regulations as shall, from time to time, be promulgated by the Board of Directors of the Association and posted.

9. The sidewalks, driveways and parking areas must not be obstructed or encumbered or used for any purpose other than ingress or egress, and for parking. Automobile parking spaces have been provided. No vehicle shall be parked in such manner as to impede or prevent ready access to other parking areas. No parking space, driveway, or other area shall be used for the storage or parking of any boat, boat trailer, house trailer, camper trailer, or any other sort of towed vehicle or object. The Owners, their employees, servants, agents, visitors, Occupants

and family will obey the parking regulations posted on the private streets, parking areas, and drives, and any other traffic regulations promulgated in the future for the safety, comfort or convenience of the Owners. Washing of cars, boats and vehicles of any kind is prohibited. Each Unit has one designated Covered Parking Space in the Parking Area. There is general parking on the upper levels of the Parking Area and in other designated Areas. Each Unit has been assigned a Covered Parking Space and has the exclusive use of that Covered Parking Space, subject to the reasonable rules and regulations of the Association. Parking in a Covered Parking Space which is designated for a Unit not owned by the Unit Owner is prohibited.

10. Water closets or other water apparatus in the buildings shall not be used for any purposes other than those for which they were designed, nor shall any sweepings, rubbish, rags or other articles be placed in the same. Any damage resulting from misuse of water closets or other apparatus in the Units shall be repaired and paid for by the Owner of such Unit. Water shall not be left running for any unreasonable or unnecessary length of time. Report any leaking or running water to the Association.

11. No "For Sale" or "For Rent" or other sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Unit Owner (except the Commercial Units in accordance with the Declaration) on any part of the outside of the building, hung from or placed on windows, window sills, balconies, or otherwise displayed, without the prior written consent of the Association, except signs used by the Developer in the sale or leasing of units as provided in the Declaration. No sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of the building or any part thereof, without the prior written consent of the Board of Directors.

12. Unit Owners are reminded that alteration and repair of the Common Areas in the Condominium are the responsibility of the Association except for those matters which are stated in the Declaration of Condominium of Caribe Resort, a condominium to be the responsibility of a Unit Owner. No work of any kind is to be done upon or affecting those portions of exterior building walls or interior boundary walls which are the responsibility of the Association without first obtaining the written approval of the Association Board of Directors.

13. Unit Owners or Occupants are not permitted to obstruct hallways, walkways, or other Common Areas, , nor shall anything be kept or stored in the Common Areas except in approved storage areas, nor shall anything be constructed on or planted in or removed from the Common Areas, nor shall the Common Areas in any other way be altered without the prior written consent of the Association. No waste will be committed to the Common Areas.

14. No radio or television or other type of antenna shall be attached to or hung from the exterior of any portion of the building without the written approval of the Board of Directors of the Association, except as provided in the Declaration of Condominium.

15. The Association, its workmen, employees, contractors or agents, shall have the right of access to any Unit at any reasonable hour of the day for the purpose of making inspections, repairs, replacements, or improvements, or to remedy any conditions which would result in damage to any portion of the building or Common Areas, or for any purpose permitted under the terms of the Declaration of Condominium or the By-Laws of the Association. If the Association finds there are vermin, insects or other pests within any Unit, it may take such measures as it deems necessary to control or exterminate the same.

* 16. Each Unit Owner who shall lease or rent his Unit irrevocable empowers the Association or its managing agent to enforce the rules and regulations and to terminate the lease and evict any tenant or occupant who fails to comply with the rules and regulations. The Association, the Board of Directors, or any agent thereof, shall not become liable to any Unit Owner or any person who sublets a Unit, or other party for any loss of rents or other damages resulting from the reasonable exercise of the provisions of this paragraph. A Unit Owner is primarily responsible for the acts or omissions of its family, tenants, guests, invitees, or Occupants. Individual rooms located within a Unit shall not be leased or rented. The minimum rental or leasing period is one (1) day.

17. No one shall use or permit to be brought into any Unit or upon any of the Common Areas and facilities any flammable oils or fluids such as gasoline, kerosene, naphtha or benzine, or other explosives or articles deemed extra hazardous to life, limb or property, without the written consent of the Board of Directors of the Association.

18. No Unit Owner or Occupant will permit anything to be done or kept in a Unit or in the Common Areas which will result in any increase of fire, liability or hazard insurance premiums or the cancellation of insurance on any part of the Condominium Property, or which would be in violation of any law.

19. No charcoal or propane or other type of outdoor grills or cooking equipment, except electrical grills, are allowed or permitted on balconies, decks or terraces by Order of the Orange Beach Fire Marshall.

SWIMMING POOLS

20. All persons using the swimming pools do so at their own risk. The Association is not responsible for any accident or injury in connection with use of the pools or for any loss or damage to personal property. Persons using the pool areas agree not to hold the Association, its officers, employees or agents liable for any actions of whatever nature occurring within the pool areas or surrounding decks.

21. Persons twelve (12) years of age or under must be accompanied at all times by an adult.

22. Except by prior agreement with the Board of Directors of the Association, the number of persons in any one group in a pool at any one time will not exceed the Occupants of the Unit plus three (3) guests.

23. Occupants of Units are responsible for the conduct of their guests at all times, and for the careful observance of all safety and sanitation precautions. A Unit Owner is responsible for the conduct of all Occupants, renters, invitees, or guests. Any person having an apparent or known skin disease, sore or inflamed eyes, cough, cold, nasal or ear discharge, or any communicable disease shall be excluded from the pools.

24. No boisterous or rough play shall be permitted in the pools, or in the pool areas. Swimming alone when no other person is in the immediate pool areas is prohibited.

25. All persons are requested to cooperate in maintaining maximum cleanliness and tidiness in the swimming pool areas.

26. Tobacco, beverages, food or glassware are not to be brought into the pool s, and no glassware shall be brought onto the pool areas, deck areas or terrace areas.

27. The pools shall be used in accordance with such rules and regulations as shall, from time to time, be promulgated by the Board of Health of Baldwin County, Alabama, and/or by the Board of Directors of the Association, which rules shall be posted by the Board of Directors.

28. Use of the pools is reserved for persons nineteen (19) years of age and over, after 8:00 PM, local time. The pools will be closed from 10:00 PM to 8:00 AM, local time, and during such other times and seasons as may be decided by the Board of Directors of the Association.

TENNIS COURTS

29. All persons using the tennis court do so at their own risk. The Association is not responsible for any accident or injury in connection with the use of the tennis court or for any loss or damage to personal property. Persons using the tennis court agree not to hold the Association liable for any actions or injury of whatever nature occurring on or around the tennis courts.

30. Persons twelve (12) years of age or under must be accompanied at all times by an adult at the tennis courts.

31. Occupants and/or Owners are responsible for the conduct of their guests at all times, and for the careful observance of all safety and sanitation precautions at the tennis courts.

32. No boisterous or rough play shall be permitted on the tennis courts or in the tennis court area. All persons are requested to cooperate and maintain maximum cleanliness and tidiness in the tennis court area.

33. Use of the tennis court shall be scheduled through the Association or the resident manager and use of the tennis court shall be limited to one hour (1) hour reservations per Unit Owner. The tennis court will be closed from 11:00 PM to 8:00 AM, local time, and during such other times and seasons as may be decided by the Board of Directors of the Association. The last party to use the tennis court in the evenings shall be responsible for turning out the lights on the courts.

34. The tennis court shall be used in accordance with such rules and regulations as shall, from time to time, be promulgated by the Board of Directors of the Association, which rules shall be posted by the Board of Directors of the Association.

HEALTH SPA

35. The persons using the facilities located in the indoor health spa do so at their own risk. The Association is not responsible for any accident or injury in connection with the use of the health spa or for any loss or damage to personal property. Persons using the health spa agree not to hold the Association liable for any actions or injury of whatever nature occurring on or around the health spa.

36. Persons eighteen (18) years of age or under must be accompanied at all times by an adult at the health spa.

37. Occupants and/or Owners are responsible for the conduct of their guests at all times, and for the careful observance of all safety and sanitation precautions.

38. No person under the age of fourteen (14) shall be permitted to use the health spa.

39. Except by prior arrangement with the Board of Directors of the Association, the number of persons in any one group in the health spa at any one time will not exceed the Occupants of the Unit plus one (1) guest.

40. No boisterous or rough play shall be permitted in the health spa. All persons are requested to cooperate in maintaining cleanliness and tidiness in the health spa.

41. Tobacco, alcoholic beverages, food or glassware are not to be brought into the health spa. Non-alcoholic beverages, food snacks, power bars and similar food snacks are allowed. The health spa will be closed from 11:00 PM to 8:00 AM, local time, and during such other times as may be decided by the Board of Directors of the Association. The health spa shall be used in accordance with such rules and regulations as shall, from time to time, be promulgated by the Board of Directors of the Association.

42. The use of any individual piece of equipment located in the Health Spa will be limited to thirty (30) minutes, at any one time.

PETS

43. No pets shall be allowed in the pool areas, tennis courts or health spa.

44. Pets shall only be walked in the designated areas located on the South side of the building and then only when on a leash. The pet Owner is responsible for the proper disposal and/or removal of pet feces and any other substance which is eliminated for the pet's body.

45. Loud barking of pets in units is prohibited and shall be considered and treated as a public nuisance.

46. Pets must be under the control of the Owner and kept on a leash at all times.

47. Written approval or consent must be obtained from the Association prior to bring a pet or animal onto the Condominium Property. Association approval or consent may be terminated without cause at any time by the Board of Directors of the Association.

48. No animal or pet shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind, and if an animal or pet does cause or create a nuisance or an unreasonable disturbance, said animal or pet shall be permanently removed from the Condominium Property within seven (7) days from the day the owner receives the written notice from the Association to remove the animal or pet.

49. The Owner of any pet or animal shall be liable for any and all damage caused by such pet or animal to any part of the Condominium Property.

50. NO CATS SHALL BE ALLOWED UNDER ANY CIRCUMSTANCES.

PERDIDO BEACH MOUSE REGULATIONS

51. Each unit Owner must maintain a copy of the U. S. Fish and Wildlife Permit (the "Permit") and the informational brochure concerning the Perdido Beach Mouse in their Unit and shall inform all Occupants of the Unit of the Permit and brochure and shall require such persons to read and abide by the Permit and brochure.

52. NO CATS. No Owner or Occupant shall maintain any cat as a pet on the Property or in a Unit. Owners are prohibited from supporting the presence of free-roaming stray cats by providing food, shelter or any other life support elements. Any free roaming cats observed by an Owner shall be reported immediately to the Association.

53. All trash containers used by an Owner or Occupant of a Unit that is located outside, must be a type that is rodent-proof, meaning that such container must be designed to prevent access to the interior of such container by any rodent.

54. Any flood lights or other outdoor lighting, which has been approved by the Association, on a Unit located on the South side of the condominium building shall be configured such that the light produced by such lights shall be projected northwardly and the southern side of such lights shall be shielded or otherwise configured to prevent the illumination of the Beach area located south of the lighting apparatus.

55. Please read and abide by the signs located in the Common Areas pertaining to the Perdido Beach Mouse and its habitat.

56. Any Owner or Occupant who locates a dead, injured or sick Perdido Key Beach Mouse shall immediately notify the U. S. Fish and Wildlife Service at the following address:

US FISH AND WILDLIFE SERVICE

Daphne Branch
2001-A Highway 98
Daphne, AL 36526
(251) 441-5181

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

PRIVATE MARINA

THIS SECTION IS RESERVED FOR FUTURE RULES AND REGULATIONS CONCERNING THE PRIVATE MARINA AND THE BOAT SLIP LOCATED THEREIN. THE DEVELOPER HAS MADE NO ASSURANCES THE MARINA WILL BE DEVELOPED OR CONSTRUCTED IN CONNECTION WITH PHASE I OF CARIBE RESORT. IF DEVELOPED, THE ASSOCIATION WILL PROMULGATE RULES AND REGULATIONS CONCERNING ITS USE.

COMPLAINTS

58. Complaints regarding the management of the condominium or regarding actions of other owners or persons shall be made in writing to the Board of Directors of the Association. The Association may assign to one or more persons, or to a manager, full responsibility for the enforcement of all or any one of these Rules and Regulations. Any complaint or dispute as to

any of these Rules and Regulations, or as to any application or enforcement thereof, shall be made in writing to the Board of Directors setting forth the nature of the matter complained of, and the names of all parties aggrieved and/or charged by reason of such matter. The Board of Directors may, in its sole discretion, decide the complaint without a hearing. In the event the Board of Directors elects to have a hearing upon such complaint, not less than seven (7) days notice thereof shall be given in writing to each person named in the complaint as aggrieved and/or charged, stating the date, time and place of such hearing. Proceedings before the Board of Directors shall be informal, without technical rules of evidence, and each party aggrieved and/or charged shall be entitled to be present in person or by their attorney, and to be heard.

AMENDMENT AND ENFORCEMENT

59. Any consent or approval given under these rules by any person designated as manager or any person or committee designated as being responsible for the enforcement of any of these rules, and/or for the use of any Common Areas or facilities, shall be revocable at any time by the Board of Directors of the Association.

60. These rules are subject to amendment or cancellation by the Board of Directors of the Association and to the promulgation of further rules by the Board of Directors and/or by the Association concerning the use and enjoyment of the Common Areas, Limited Common Areas, Units and in connection with the Permit issued by the U.S. Fish and Wildlife Service.

61. The foregoing Rules and Regulations shall not apply to the Developer, its successors or assigns, until it has surrendered control of the condominium or its control of the condominium has been terminated in the manner set forth in the Declaration of Condominium of Caribe Resort, a condominium and the By-Laws of the Association.