

INCREMENTAL AMENDMENT TO DECLARATION OF CONDOMINIUM
OF
CARIBE RESORT, A CONDOMINIUM
(Marina Amendment)

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2007 March -22 3:41PM

Instrument Number 1038888 Pages 32

Recording 96.00 Mortgage

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Index 5.00

Archive 5.00
Adrian I. Johns, Judge of Probate

This INCREMENTAL AMENDMENT to the DECLARATION OF CONDOMINIUM OF CARIBE RESORT, a Condominium, dated the 22 day of MARCH, 2007;

RECITALS:

1. CARIBE RESORT, INC., an Alabama close corporation, (Original Declarant or Developer) did execute the Declaration of Condominium of Caribe Resort, a Condominium, which is dated April 15, 2002 and recorded April 16, 2002, as INSTRUMENT NO. 654173, of the records in the Office of the Judge of Probate of Baldwin County, Alabama ("Declaration").
2. The Declaration submitted to the condominium form of ownership and use certain real property located in Baldwin County, Alabama and described therein.
3. Caribe Resort, Inc. pursuant to the ACT and Section 16.01 of the Declaration, did assign and set over to CARIBE RESORT PHASE II, INC., an Alabama close corporation, (hereinafter referred to as "Declarant or Developer") the rights and powers reserved to or exercisable by the Original Declarant for the purpose of constructing improvements and submitting to the condominium form of ownership and use certain real property described in the Assignment of Development Rights and Special Declarant Rights which is dated June 25, 2003 and recorded as INSTRUMENT NO. 739736.
4. Caribe Resort Phase II, Inc., as assignee of the Original Declarant did execute and file for record in the Office of the Judge of Probate, Baldwin County, Alabama as INSTRUMENT NO. 895497, the First Incremental Amendment to the Declaration of Condominium of Caribe Resort, a condominium, submitting the lands described therein to the condominium form of ownership as Caribe Resort, Phase II.
5. Caribe Resort, Inc. pursuant to the ACT and Section 16.01 of the Declaration, did assign and set over to CARIBE RESORT PHASE 3, INC., an Alabama close corporation, (hereinafter referred to as "Declarant or Developer") the rights and powers reserved to or exercisable by the original Declarant for the purpose of constructing improvements and submitting to the condominium form of ownership and use certain real property described in the Assignment of Development Rights which is dated June 30, 2004 and recorded as INSTRUMENT NO. 821717.
6. Caribe Resort Phase 3, Inc., as assignee of the Original Declarant did execute and file for record in the Office of the Judge of Probate, Baldwin County, Alabama as INSTRUMENT NO. 992812, the Second Incremental Amendment to the Declaration of Condominium of Caribe Resort, a condominium, submitting the lands described therein to the condominium form of ownership as Caribe Resort, Phase II.
7. CARIBE RESORT, INC. and CARIBE RESORT PHASE II, INC. and CARIBE RESORT PHASE 3, INC., hereinafter shall collectively be referred to as the "Declarant" or "Developer."
8. Declarant pursuant to the ACT and Declaration, as amended, reserved the Development Right to construct a Private Marina and submit the improvements located therein to the condominium form of ownership and use all or any part of certain real property located in Baldwin County, Alabama and described in the Declaration on Exhibit "L" and in the First Incremental Amendment on Exhibit "G" and in the Second Incremental Amendment on Exhibit "G", of Caribe Resort, a Condominium.

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9. Declarant and other entities and the State of Alabama, Department of Conservation and Natural Resources, State Lands Division entered into that certain Riparian Easement of State-Owned Submerged Lands, recorded in the Office of the Judge of Probate, Baldwin County, Alabama, as INSTRUMENT NO. 1030271, (the "Riparian Easement" or "Submerged Lands Easement") which allowed the Declarant to construct the Private Marina, as described in this Incremental Amendment, upon the sovereign submerged lands described in the Riparian Easement. The term "Wet Slips" as used through out the Riparian Easement is one and the same as the term "Boat Slip" as used through out the Declaration. THIS INCREMENTAL AMENDMENT, WHERE APPLICABLE, SHALL BE SUBJECT TO AND SUBORDINATE TO THE RIPARIAN EASEMENT. DECLARANT MAKES NO ASSURANCES THE RIPARIAN EASEMENT WILL BE RENEWED AT THE EXPIRATION OF ITS INITIAL TERM ON JULY 14, 2014.

10. The Declaration, as amended, provided that the Private Marina, and any future phases thereto, may be added to and made subject to the Declaration, as amended, by the execution by Declarant alone of an amendment to the Declaration as therein set forth.

11. Declarant desires by this instrument to so amend the Declaration and hereby submit the property and improvements described on Exhibit "A" to this Incremental Amendment to the condominium form of ownership and use as the Private Marina of Caribe Resort, a Condominium.

NOW, THEREFORE, pursuant to the Declaration, as amended, and the ACT, the Declaration is hereby amended in the following respects:

A. The real property, which was reserved for Development Rights and described on Exhibit "L" of the Declaration and on Exhibit "G" of the First Incremental Amendment and on Exhibit "G" of the Second Incremental Amendment and as described on the Plats set forth on Exhibit "A" attached hereto and by this reference made a part hereof together with the improvements thereon, is hereby submitted to the condominium form of ownership and use as the Private Marina of Caribe Resort, a Condominium.

B. Private Marina or "Marina" of Caribe Resort, a Condominium, as set forth on the Marina Plans attached hereto as Exhibit "A", amends Exhibit "C" attached to the Declaration, as amended and Exhibit "B" to the First and Second Incremental Amendments. The Marina consists of Boat Slips a/k/a "Wet Slips", piers, finger piers, storage boxes, docks, pilings, moorings, boardwalks, entry gates, docking facilities, and associated improvements, all of which are designated as Limited Common Elements, as follows:

(1.) General Description of Improvements in the Private Marina - The Private Marina consists essentially of eight (8) floating docks, together with Boat Slips/Wet Slips, finger piers, piers, storage boxes, wires, conduit, entry gates and other improvements located therein, all designated as Limited Common Element for the exclusive use of one or more, but not all of the Units, as more specifically set forth on the Plats and Plans for the Private Marina which are attached hereto and marked as Exhibit "B" (herein "Marina Plans" or "Amended Plans"). The improvements for Marina are substantially completed in accordance with the Marina Plans, as evidenced by the Certificate of Completion executed by an independent registered engineer. The Marina is constructed as floating docks that are Styrofoam enclosed in reinforced concrete with pilings made of reinforced spiral spun concrete and contains eight (8) floating docks with finger piers, reinforced concrete pilings designated as E-DOCKS, F-DOCKS, G-DOCKS, H-DOCKS, I-DOCKS, J-DOCKS, K-DOCKS and L-DOCK. The letter designated DOCKS run from West to East, with the E-DOCKS located on the Westernmost end of the Private Marina and the L-DOCKS located on the Easternmost end of the Private Marina. The E-DOCKS contain ten (10) Boat Slips and ten (10) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements

which are designated as Limited Common Elements for the exclusive use of all Owners of Units that have been allocated a Boat Slip in the Marina. The F-DOCKS contain twenty (20) Boat Slips and twenty (20) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The G-DOCKS contain ten (10) Boat Slips and ten (10) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The H-DOCKS contain eighteen (18) Boat Slips and eighteen (18) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The I-DOCKS contain ten (10) Boat Slips and ten (10) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The J-DOCKS contain ten (10) Boat Slips and ten (10) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The K-DOCKS contain twenty four (24) Boat Slips and twenty four (24) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The L-DOCKS contain eleven (11) Boat Slips and eleven (11) storage boxes, both of which are designated as Limited Common Elements for the exclusive use of only one (1) Unit, together with piers, pilings, moorings, boardwalks, and associated improvements which are designated as Limited Common Elements for the exclusive use of all Units that have been allocated a Boat Slip in the Marina. The Marina contains a total of one hundred thirteen (113) Boat Slips.

(2.) General Description of Boat Slips or "Wet Slips" - The Boat Slips in the Marina vary in size and layout, as more specifically set forth on the Marina Plans attached as Exhibit "A" to this Incremental Amendment to the Declaration. There are six (6) Type "A" Boat Slips that are approximately 40.0 ft. by 14.0 ft.; and thirty seven (37) Type "B" Boat Slips that are approximately 40.0 ft. by 17.0 ft.; and fifty two (52) Type "C" Boat Slips that are approximately 40.0 ft. by 19.0 ft.; and eight (8) Type "D" Boat Slips that are approximately 50.0 ft. by 17.0 ft.; and two (2) Type "E" Boat Slips that are approximately 60.0 ft. by 22.0 ft.; and eight (8) Type "F" Boat Slips that are approximately 60.0 ft. by 24.0 ft..

(3.) Limited Common Element "Boat Slips" and Storage Areas for the exclusive use of one Unit -
(a.) The "Boat Slip" or "Wet Slip" shall mean the parts of the Marina as set forth in the Marina Plans and described in this Incremental Amendment intended for the exclusive possession by an Owner of the Unit to which it is allocated. Each Boat Slip is identified in a schematic drawing as shown on the Marina Plans attached to this Incremental Amendment as Exhibit "A". The Boat Slips are located in eight docks, which have been designated as E-DOCKS, F-DOCKS, G-DOCKS, H-DOCKS, I-DOCKS, J-DOCKS, K-DOCKS and L-DOCKS. Each Boat Slip is identified by using a three digit number preceded by a Letter which will identify the specific dock in which that Boat Slip is located, with all Boat Slips preceded by the letters "BS", which designate that it is a boat slip located within the Marina, as more particularly set forth on Exhibit "A" to this Incremental Amendment. The Boat Slips or Wet Slips are numbered and identified as BS-E101, BS-E102, BS-E103, BS-E104, BS-E105, BS-E106, BS-E107, BS-E108, BS-E109, BS-E110, BS-F101, BS-F102, BS-F103, BS-F104, BS-F105, BS-F106, BS-F107, BS-F108, BS-F109, BS-F110, BS-F111, BS-F112, BS-F113, BS-F114, BS-F115, BS-F116, BS-F117, BS-F118, BS-F119, BS-F120, BS-G101, BS-G102, BS-G103, BS-G104, BS-G105, BS-G106, BS-G107, BS-G108, BS-G109, BS-

G110, BS-H101, BS-H102, BS-H103, BS-H104, BS-H105, BS-H106, BS-H107, BS-H108, BS-H109, BS-H110, BS-H111, BS-H112, BS-H113, BS-H114, BS-H115, BS-H116, BS-H117, BS-H118, BS-I101, BS-I102, BS-I103, BS-I104, BS-I105, BS-I106, BS-I107, BS-I108, BS-I109, BS-I110, BS-J101, BS-J102, BS-J103, BS-J104, BS-J105, BS-J106, BS-J107, BS-J108, BS-J109, BS-J110, BS-K101, BS-K102, BS-K103, BS-K104, BS-K105, BS-K106, BS-K107, BS-K108, BS-K109, BS-K110, BS-K111, BS-K112, BS-K113, BS-K114, BS-K115, BS-K116, BS-K117, BS-K118, BS-K119, BS-K120, BS-K121, BS-K122, BS-K123, BS-K124, BS-L101, BS-L102, BS-L103, BS-L104, BS-L105, BS-L106, BS-L107, BS-L108, BS-L109, BS-L110, and BS-L111. All as more particularly described on the Marina Plans, attached hereto as Exhibit "A." All Boat Slips are Limited Common Elements which are for the exclusive possession and use by the Owner of the Unit to which it is allocated. A Boat Slip is an appurtenant to the Unit to which it has been allocated, or re-allocated, as the case may be. A Boat Slip can only be allocated or reallocated to a Unit located on the Condominium Property. It can not be allocated, assigned or conveyed to any individual person, persons, or other entity. A Boat Slip is for the exclusive use and enjoyment of the Owner of the Unit to which it has been allocated. Nothing herein is intended to prohibit an Owner from allowing his Occupants the use and enjoyment of a Boat Slip.

In accordance with Section 35-8A-208 of the ACT, each Boat Slip allocated as a Limited Common Element to a Unit designated in this Incremental Amendment filed by the Developer, may be reallocated. Each Unit so designated shall be entitled to an exclusive easement for the use and enjoyment of said Boat Slip(s) allocated to that Unit, but such right shall not entitle an Owner to construct anything thereon nor to change any structural part thereof, nor use it for any commercial activities. Unit Owners, in accordance with Section 35-8A-208 of the ACT, may reallocate a Boat Slip to another Unit by an amendment to the Declaration. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act or the Declaration, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Private Elements to which it was assigned or allocated as a Limited Common Element.

Each Limited Common Element Boat Slip shall be allocated as a Limited Common Element to the Unit designated on Exhibit "B", which is attached hereto and made a part hereof as if fully set out herein. In accordance with the Declaration, as amended, and the ACT, Exhibit "B" hereto amends and replaces Exhibit "I" to the Declaration and Exhibit "F" to the First and Second Incremental Amendments.

Once a Boat Slip has been allocated or reallocated in accordance with the Declaration and ACT, any right, title or interest in said Boat Slip shall automatically attach as an appurtenance to the Unit to which it has been allocated, and any future conveyance of the Unit will include the Boat Slip without the necessity of specific reference thereto, unless the said Boat Slip has been reallocated to another Unit prior to the conveyance. Only a limited number of Units will be allocated a Boat Slip and not all Units will be allocated a Boat Slip. The Declarant makes no assurances as to the number of Units that will be allocated a Boat Slip or Boat Slips.

Each Boat Slip located in the Private Marina shall consist of the space located within the area shown on the Plans and generally described as follows. The horizontal and vertical boundaries of each Boat Slip shall typically consist of the interior face of the docks, piers and the mooring piles assigned to each Boat Slip and falling within the Boat Slip and if no surface (no docks, piers or mooring piles), the horizontal or vertical extended plane of the perimeter of said surface extended to the distances shown on the Plans. There are no specific upper boundaries for the Boat Slip. The vertical or upper boundaries extend upward to such a height that would accommodate and include the Vessel moored in the Boat Slip from time to time. The lower boundary of the Boat Slip extends beneath the surface of the water to (but not including) the bottom of the harbor basin of the waters falling within the Private Marina or Old River/Perdido Pass. The Declarant does not warrant or represent or make any assurances the Boat Slip will accommodate any particular size vessel, and the Declarant does not warrant or make any assurances the depth of the water in the harbor basin of the Private Marina will

remain the same. The size and layout of Boat Slips will vary from Boat Slip to Boat Slip, as more specifically set forth on the Marina Plans attached to this Incremental Amendment

Each Owner of a Unit of which a Boat Slip is an appurtenant thereto shall have the riparian right and easement to use the water space within the Boat Slip assigned as a Limited Common Element to that Unit as well as the water immediately adjacent to the Boat Slip extending to within one (1) foot of the mooring pile or boundary line between Vessels as shown on the Plans for the purpose of mooring a Vessel. The rights of a Unit Owner to use a Boat Slip in the Private Marina is a Limited Common Element but is non-exclusive and is subject to the rights of other parties, the United States of America or the State of Alabama, in and to the shore, littoral or riparian rights of the property lying adjacent to Old River and/or Perdido Pass and the rights of said parties to use and/or regulate said waterways and further subject to the terms and conditions of the Riparian Easement.

(b.) Storage Area or Storage Box. - Located on the Docks are individual Storage Areas or Storage Boxes, which have been designated on the Marina Plans set out on Exhibit "A" hereto as Limited Common Elements as an appurtenant to the Boat Slip adjacent thereto for the exclusive use and enjoyment of the Owner of the Unit to which the Boat Slips is allocated. A Storage Area or Storage Box is identified by the same identification number as the Boat Slip to which it is an appurtenant, but without the designation of "BS." As a means of an example, the Storage Area or Storage Box for Boat Slip BS-E101 is designated as "E-101", all as more particularly set forth on Exhibit "A" hereto. In accordance with the Declaration and the ACT, Each Unit so designated shall be entitled to an exclusive easement for the use and enjoyment of said Storage Area which is an appurtenant to the Boat Slip allocated to that Unit, but such right shall not entitle an Owner to change any structural part thereof.

(4.) Limited Common Elements Located within the Private Marina for the exclusive use of more than one Unit, but not all Units - Such Limited Common Elements or Limited Common Areas shall mean and include any area designated by this Incremental Amendment including Marina Plans, as Limited Common Elements on the Marina Plan, for the Exclusive use of all Owners of Units that have been allocated or assigned a Boat Slip in the Marina. The Limited Common Elements include, among any other property so designated, the piers (both finger piers and docking piers), pilings, wiring, conduit, gates, docks, boardwalks and associated improvement, but specifically excluding Boat Slips and Storage Boxes. The mooring pilings located between two adjoining Boat Slips are for the exclusive use of each of the adjoining Boat Slips. In the event a mooring piling is located adjacent to a Boat Slip, but not between two Boat Slips, it is for the exclusive use of the Boat Slip to which it is adjacent. All as more particularly described on the Marina Plans, attached hereto as Exhibit "A.," Should any Limited Common Element, described herein, ever be determined not to be a Limited Common Element under the Act or the Declaration, the same shall be a part of the Common Elements with an exclusive easement of use appurtenant to all Units that have been allocated a Boat Slip. Nothing herein is intended to prohibit an Owner from allowing his Occupants the use and enjoyment of a Boat Slip.

(5.) Maintenance, Repair, Upkeep, Insurance and Replacement of the Private Marina- (a) The maintenance, repair, upkeep, insurance and replacement of the Marina or any part thereof, and the improvements located thereon shall be the exclusive responsibility of the Owners of Units to which Boat Slips shall be allocated. The cost or expense of any maintenance, repair, upkeep, insurance or replacement shall be assessed by the Association to the Unit Owners whose Units are allocated a Boat Slip, and be pro rated in equal amounts against all of the Boat Slips in the Marina, regardless of the size of a Boat Slip, and paid to the Association as determined by the Board of Directors. (b.) Reconstruction or Repair after Casualty. -If any portion of the Marina shall be damaged by casualty, such casualty damage shall be reconstructed or repaired in the following manner:

(i) If available and to the extent reasonable and economically feasible, the Association shall maintain casualty insurance for the Marina.

(ii) As soon as reasonably possible, after a casualty causing damage to the Marina improvements, the Association shall obtain reliable and detailed estimates of the costs to rebuild or repair. Special assessments, in an equal amount for each Boat Slip, shall be made against all Boat Slip Owners in sufficient amounts to provide funds to pay the estimated costs of all repairs not covered by insurance.

NOTE: CASUALTY INSURANCE FOR THE MARINA MAY NOT BE AVAILABLE OR, IF AVAILABLE, MAY BE COST PROHIBITIVE; THEREFORE NO INSURANCE PROCEEDS MAY BE AVAILABLE TO OFFSET THE COST OF REPAIRING OR REBUILDING THE MARINA, OR ANY PART THEREOF.

(6.) Marina Budget and Assessment. (a) The Marina Budget shall consist of and include all expenses incurred in the operation, maintenance and repair of the piers, docks, boardwalks, gates, pilings, etc., hereinafter referred to as "Marina Budget", including, without limitation, common utilities (water, electricity and communications), taxes, management, routine maintenance, casualty and/or liability insurance (if available and to the extent it is reasonable and economically feasible), and the annual easement fees for the Riparian Easement of State-Owned Submerged Lands granted by the State of Alabama as referenced above, which fees shall be included in the Marina Budget.

(b) The cost of the repair, replacement, and maintenance and insuring of the docks, piers, and related Marina facilities shall be done through a separate Marina Budget which may be a part of the Association's budget, and said assessments shall be collected through the assessment process of the Association, as set forth in the Declaration and Association By-Laws. Only those Unit Owners who also have Boat Slip rights shall be obligated to pay for the Marina assessment. If a Unit Owner were to own a Unit to which more than one Boat Slip was allocated as an appurtenant, said Owner would be responsible for the equal share of the Marina Budget, as assessed, for each and every Boat Slip allocated to the Unit he owned, regardless of the size of the Boat Slip. A copy of the initial Operating Budget is attached hereto as Exhibit "D".

(c) The Association shall have a lien on the Unit to secure the payment of regular and special assessments due in connection with operation, maintenance, insurance, repair, and replacement of the Marina. Delinquent Assessments will be collected and/or enforced in the manner set forth in the Declaration, as amended.

(7.) Riparian Easement of State-Owned Submerged Lands. - In conjunction with the construction and development of the Marina, the Declarant, together with other entities, entered into a Riparian Easement of State-Owned Submerged Lands with the State of Alabama, Department of Conservation and Natural Resources, State Land Division, which was dated August 20, 2004 and has been recorded in the Office of the Judge of Probate, Baldwin County, Alabama, as INSTRUMENT NO. 1030271. A copy of which is attached hereto as Exhibit "C" and made a part hereof. This easement was granted by the State of Alabama for a period of ten (10) years and, unless renewed at the sole option of the State of Alabama, shall expire on July 15, 2014. The easement is conditioned upon the payment of annual fees and compliance by the Grantees of the terms of the easement. Neither the Association or a Unit Owner allocated a Boat Slip shall have any rights to either renew the easement or redeem any reversion. However, provided they are in full compliance with the terms of the easement agreement, the Grantees described in the easement, or their approved Assignees do have the right to make an application for renewal of the easement. Upon the termination or cancellation of the easement, all improvements must be removed and failure to do so will result in a lien on the upland property enforceable as provided by law.

THERE ARE NO ASSURANCES THE RIPARIAN EASEMENT WILL BE RENEWED AT THE EXPIRATION OF ITS INITIAL TERM ON JULY 14, 2014. IF NOT RENEWED, ALL RIGHTS TO THE

USE AND ENJOYMENT OF THE STATE OWNED SUBMERGED LAND LOCATED BELOW THE MARINA SHALL REVERT BACK TO THE STATE OF ALABAMA. WHERE APPLICABLE, THIS INCREMENTAL AMENDMENT AND ALL RIGHTS GRANTED TO OWNERS OF UNITS IN CONNECTION WITH THE MARINA AND BOAT SLIPS SHALL BE SUBJECT AND SUBORDINATE TO THE RIPARIAN EASEMENT, ATTACHED HERETO AS EXHIBIT 'C'.

(8.) Restrictions and Regulations on Use of Boat Slips and other areas in the Marina - (a) As a supplement to and not as a limitation in the restrictions and prohibitions set forth in Article VIII of the Declaration, as amended, the Owners of Units that have been allocated a Boat Slip(s) and their Occupants shall not commit or allow to be committed, any of the following: (i) any act which is unlawful, will increase the rate of insurance on the Marina, or violates the terms of the "Riparian Easement", or any State, Federal, or Municipal permits and/or rules and regulations as may be promulgated from time to time, or any conditions of any easement associated directly or indirectly with the Marina or Boat Slip, or any rules or regulations published by the Association; (ii) any public or private nuisance or any other act or thing which disturbs the quiet enjoyment of any other user of the Marina; (iii) the use of any apparatus, machinery or device which will cause any substantial noise or vibration, or any increase in the normal use of electric power in the Marina; (iv) the use or storage of any flammable substances in the Boat Slip or Marina, which would constitute a violation of any Local, State or Federal Law or regulation; (v) any violation of any Federal, State or Local Environmental or Hazardous Waste Law, or any regulations promulgated by the U. S. Environmental Protection Agency, or any other Federal, State or local agency regulating environmental or hazardous waste matters on Federal, State or private waters, including, but not limited to, matters dealing with pollution of the water by spilling or dumping paints, cleaners, sewage, oil, fuel or any other hazardous waste; (vi) attachments to the docks or finger piers without the prior written consent of the Association; (vii) overhangs to the docks or finger piers, including, but not limited to, bow spritz, anchor brackets, dingy or similar items, or any overhangs beyond the limit of the slip dimensions or of the Riparian Easement of State-Owned Submerged Lands, whichever is the most restrictive, (viii) equipment storage on the docks or finger piers, except in designated Storage Areas or Storage Boxes as described in this Amendment (this includes, but is not limited to, hoses, steps, buckets or the like and are considered the personal property of the Owner or Occupant; any item left on docks or finger piers may be removed by the Association, or Association's agent, with no liability to the Association); (ix) tarps or other material to cover any boat (custom made boat canvas boat covers are allowed) any tarp cover may be removed by the Association or Association's agent with no liability to the Association; (x) business or commercial activity to be conducted in or about the Boat Slip or Marina (or the vessel therein contained); and (xi) major repairs of such extent and nature as are normally performed at boatyard facilities, and the sanding, painting or refinishing of any portion of any boat in or about the Boat Slip or Marina; (xii). allowed anyone to live aboard the boat in the Boat Slip ("Live aboard" is defined as a vessel docked at the Marina and inhabited by a person or persons for any five (5) consecutive days, or a total of ten (10) days within a 30-day period.).

(b.) Either prior to or at the time of docking a Vessel in a Boat Slip, Owner shall provide the Association, (i) the current name, address, phone number and e-mail address of the boat owner, the name of the boat, a description of the boat (including make, model, and length) and the Coast Guard or State identification number for the boat; together with a Certificate or Evidence of Insurance coverage, for the benefit of the Association, for the boat being docked in the Boat Slip.

(9.) Owner Insurance Requirements. The Owner shall maintain the insurance coverage for the benefit of the Association during any and all period Owner or Occupant docks or moors a Vessel or other personal property within the Marina; said coverage shall be maintained, by Owner/Occupant at its expense, during any such period, and shall keep and maintain in full force and effect: (i) protection and indemnity insurance insuring against claims of bodily injury, death, property damage, including damage to the Marina property and structures, docks, piers or other improvements occasioned by Owner's or

Occupant's Vessel or other personal property, including such damage as caused by Owner's or Occupant's Vessel or personal property during any storm or act of God or other loss, in a coverage of not less than \$500,000.00; (ii) hazard insurance covering the Vessel for its full insurable value.

All insurance policies required under this paragraph shall be with companies authorized to do business in Alabama and reasonably acceptable to the Association; and each policy shall list the Association as an additional insured and provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following a written notice to Association. Unit Owner shall deliver, or cause to be delivered, to the Association, prior to, or at the time of docking in the Marina, and from time to time thereafter, certificates evidencing the existence of insurance and compliance with this section. If Unit Owner fails to acquire or maintain any insurance, or provide any certificate required by this paragraph, Association may, but shall not be required to, obtain such insurance and Unit Owner shall reimburse Association for the costs of premiums of such insurance within 10 days of receipt of a written request for reimbursement from the Association.

(10.) Obligations, Responsibilities and Liabilities of Owners to the Association. - An Owner(s) of a Unit to which a Boat Slip has been allocated or assigned warrants that it will, at Owner's expense, maintain any Vessel or other similar water craft in the Wet Slip and any associated personal property, in a clean, seaworthy, sanitary, and fully operational condition at all times, and that the Vessel and any associated personal property, will be regularly repaired and maintained. The Association shall not be liable or responsible in any manner for the boat's safe keeping or the condition of the boat's tackle, fixtures, equipment and or furnishings. Owner shall defend and indemnify the Association and hold it harmless from and against any and all liability, damages, costs or expenses, including attorney's fees, arising from any act, omission or negligence of Owner or its Occupants, contractors, licensees, agents, servants, employees, guests, family members, invitees or visitors in or about the Vessel, the Boat Slip and or the Marina including, but not limited to, personal injury or wrongful death or any environmental damage or environmental contamination, or any damage or loss to any of the structures, docks, gangways, fences, doors, locks or other parts of the Marina, or to the property of any other Unit Owner with a Boat Slip or users of the Marina, or guests thereof, including damage to the Condominium Property including the Marina or other improvements occasioned by Owner or Occupant's Vessel or other property, including such damages caused by Owners or Occupant's Vessel or property during any storm or act of God. The Association and its agents and employees shall not be liable to Owner or Occupant or any other party for any damages, loss of property, theft, personal injury, or death which occurs on the Vessel, Boat Slip, Marina, or Condominium Property.

In addition to the obligations of an Owner or Occupant set forth above, Owner and Occupant agree to pay the Association any and all damages suffered by the Association as a result of any damage caused to the Association, Boat Slip, Marina or other Condominium Property by the Owner or Occupant or the Owner's or Occupant's Vessel, or other personal property, including, but not limited to, damage to docks, piers, board walks, pilings, bulk head, utility lines, the office (if applicable), parking spaces, landscaping, and other upland property Condominium Property. As used herein, damages include all damages which the Association may suffer, including, but not limited to, property damage, business interruption, dock damage, personal injury, and any other damages such as incidental and consequential damages, be they direct or indirect and regardless of whether the damage is aggravated or incurred in part by the negligence of the Association or its agents, representatives, employees, or invitees, or any other person, firm or entity, but only to the extent said damages are not covered by insurance proceeds. In undertaking the foregoing obligation, an Owner understands and agrees, but their signature to an Amendment to the Declaration that allocates a Boat Slip to their Unit, that the waters of the Marina are unsafe for all Vessels from the effects of a hurricane or tropical storm, and further that it is likely that a Vessel moored to the Marina piers or pilings will cause the piers, pilings and docks to be destroyed (as well as the Owner's Vessel and other Vessels) while experiencing the effects of a hurricane or tropical storm. Accordingly,

Owner shall remove, or cause to be removed, any Vessel or similar watercraft from the Marina upon the threat of a hurricane or tropical storm, and shall take all other reasonable precautions to protect the Marina from harm in the face of a hurricane or tropical storm threat including, but not limited to, removal of the Vessel from the Marina, mooring of the Vessel and properly securing all boat tackle, objects, equipment, fixtures and apparel that may cause damage. Owner shall be liable for any and all damages to the Condominium Property described above which are caused by the Owner's or Occupant's Vessel for any reason, including, not limited to, damage caused by the Owner's or Occupant's Vessel from the effects of the hurricane or tropical storm. This paragraph is not an adoption, maintenance or enforcement of any policy prohibited by Alabama law, but instead constitutes an acknowledgment that it is likely damage will occur to the Marina and other Condominium Property from the effects of a tropical storm or a hurricane on the waters of the Marina if a Vessel or similar watercraft is left in the Marina and an Owner, but their signature to an Amendment to the Declaration that allocates a Boat Slip to their Unit, acknowledges its responsibility to the Association for any and all damages which the Association suffers on account of the presence of a Vessel at the Marina during such times and in the event of action by or against the Owner arising from any loss or injury to the Association from the effects of a hurricane or tropical storm, shall not raise the act of God defense and waives said defense.

C. Development Rights as to future Phases of the Private Marina. The Declarant, its successor and/or assigns, expressly reserves, in accordance with the ACT and the Declaration, the right until the fifteenth (15th) anniversary of the recordation of the Declaration to exercise the Development Right to construct and dedicate future phases to the Private Marina described in this Incremental Amendment. Any future Phase to the Private Marina may include, but not be limited to, piers, wharfs, walkways, finger piers, pilings, moorings, Boat Slips and other associated structures. The lay-out, size, design and location of any piers, wharfs, walkways, finger piers, Boat Slips and other associated structures will be determined solely by the Declarant and will be set forth on the Plans filed as an Exhibit to the incremental amendment filed. The area or areas, if any, within the Private Marina that are not designated as Limited Common Elements will be designated as Common Elements. The cost or expense of maintenance, repair, upkeep, insurance and replacement (including but not limited to State of Alabama submerged land lease) associated with the Private Marina and the Boat Slips located therein shall be the exclusive responsibility of the Unit Owners to which the Boat Slips located in the Marina shall be appurtenant, as set forth in the Declaration, as amended. The Declarant makes no assurances of the number of Boat Slips in any future Phase to the Private Marina, nor any assurances that any future Phase to the Marina will be constructed or dedicated.

D. Utility Easements - As a supplement to and not as a limitation in the easements reserved in Section 3.01 of the Declaration, as Amended, the Declarant, for itself and the Association, their respective successors or assigns reserves a utility easement throughout the whole of the Private Marina described on Exhibit "A" and Exhibit "B" hereto, as may be required for utility services and equipment (including, without limitation, electricity connection equipment and lines, transmission lines and similar type equipment) in order to adequately serve the Marina and the Boat Slips located therein. An easement is hereby reserved throughout the whole of the Private Marina, including Boat Slips, for the purpose of operation, placement, maintenance, repair and replacement of said utility equipment by the Declarant and Association, their respective agent, employees, contractors, successors and assigns. Said Easement will include, but not be limited to, the right to place, service, repair, replace and remove utility lines which provide the utility services to the improvements located within the Marina.

E. Allocated Boat Slip Spaces - Each Limited Common Element Boat Slip and its associated Storage Area depicted on the Marina Plan attached hereto as Exhibit "A" shall be allocated as a Limited Common Element to the Unit designated on Exhibit "B", which is attached hereto and made a part hereof as if fully set out herein. In accordance with the Declaration, as amended, and the ACT, Exhibit "B" hereto amends and replaces Exhibit "I" to the Declaration and Exhibit "F" to the First and Second

Incremental Amendments. In accordance with the Declaration, as amended and Section 35-8A-208 of the ACT, each Boat Slip allocated as a Limited Common Element to a Unit set forth on Exhibit "B" may be reallocated to another Unit.

F. From and after the filing for record of this Incremental Amendment, the land and improvements hereby submitted to the condominium form of ownership and use shall be a part of Caribe Resort, a Condominium, for all purposes, and such land and improvements and the Owners of the Units, to which Limited Common Elements have been allocated or reallocated shall be governed by and entitled to the rights, privileges and benefits set forth in the Declaration, as amended.

All terms used herein which are defined in the Declaration shall, unless otherwise indicated, have the meaning ascribed to them in the Declaration. Exhibits "A", "B", "C", and "D" attached to this amendment are an integral part of this Incremental Amendment.

As hereby amended, the Declaration, as amended, is ratified and affirmed and remains in full force and effect.

IN WITNESS WHEREOF, CARIBE RESORT, INC., an Alabama close corporation, CARIBE RESORT PHASE II, INC., an Alabama close corporation, and CARIBE RESORT PHASE 3, INC., an Alabama close corporation, have caused this instrument to be executed on their behalf by their respective officer thereunto duly authorized on the day and year first above written.

CARIBE RESORT, INC.
an Alabama close corporation

By: Larry Wireman (SEAL)
Larry Wireman, its President

CARIBE RESORT PHASE II, INC.
an Alabama close corporation

By: Larry Wireman (SEAL)
Larry Wireman, its President

CARIBE RESORT PHASE 3, INC.
an Alabama close corporation

By: Larry Wireman (SEAL)
Larry Wireman, its President

THIS IS THE ACKNOWLEDGMENT PAGE TO AN INCREMENTAL AMENDMENT TO THE DECLARATION OF CONDOMINIUM OF CARIBE RESORT, A CONDOMINIUM.

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for the said state and county, hereby certify that Larry Wireman, whose name as President of CARIBE RESORT, INC., an Alabama close corporation, 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 Officer and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal this 22nd day of March, 2007.

Rachel Deisner
NOTARY PUBLIC

My commission expires: 4/30/07

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for the said state and county, hereby certify that Larry Wireman, whose name as President of CARIBE RESORT PHASE II, INC., an Alabama close corporation, 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 Officer and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal this 22nd day of March, 2007.

Rachel Deisner
NOTARY PUBLIC

My commission expires: 4/30/07

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned Notary Public in and for the said state and county, hereby certify that Larry Wireman, whose name as President of CARIBE RESORT PHASE 3, INC., an Alabama close corporation, 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 Officer and with full authority, executed the same voluntarily for and as the act of said Corporation on the day the same bears date.

GIVEN under my hand and seal this 22nd day of March, 2007.

Rachel Deisner
NOTARY PUBLIC

My commission expires: 4/30/07

This instrument prepared by: Thomas W. Klyce, PC. Attorney at Law, PO Box 2301, Gulf Shores, Alabama 36547

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EXHIBIT "A"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

PLANS AND CERTIFICATION FOR CARIBE RESORT, A CONDOMINIUM, PHASE I, RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA IN APARTMENT BOOK 22, PAGE 30, ET SEQ.; AS THE SAME WERE AMENDED BY AMENDED PLANS AND CERTIFICATION FOR CARIBE RESORT, A CONDOMINIUM, PHASE II, AS THE SAME ARE RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA, IN APARTMENT BOOK 23, PAGES 135, ET SEQ.; AS THE SAME WERE FURTHER AMENDED BY AMENDED PLANS AND CERTIFICATION FOR CARIBE RESORT, A CONDOMINIUM, PHASE III, AS THE SAME ARE RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA, IN APARTMENT BOOK 24, PAGES 111, ET SEQ.; BEING INCORPORATED HEREIN BY REFERENCE; AS THE SAME WERE FURTHER AMENDED BY AMENDED PLANS AND CERTIFICATION FOR THE PRIVATE MARINA AT CARIBE RESORT, A CONDOMINIUM,, AS THE SAME ARE RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA, IN APARTMENT BOOK 25, PAGES 202, ET SEQ.; BEING INCORPORATED HEREIN BY REFERENCE.

LEGAL DESCRIPTION OF THE " MARINA AREA "

(INTENDING TO DESCRIBED DEVELOPMENT RIGHTS AREAS DESCRIBED IN THIS AMENDMENT AND SET FORTH ON THE RECORDED AMENDED PLANS AND CERTIFICATION FOR THE PRIVATE MARINA AT CARIBE RESORT, A CONDOMINIUM)

THE NORTH TWELVE (12) FEET OF PHASE ONE, TWO AND THREE OF CARIBE RESORT, EXTENDING 12 FEET SOUTH OF AND PARALLEL TO THE EXISTING BULKHEAD RUNNING ALONG THE SOUTHERN MARGIN OF PERDIDO PASS AND OLD RIVER, AS SHOWN ON PLAT OF SURVEY BY LUCIDO & OLIVER, INC., RECORDED IN APARTMENT BOOK 22, PAGE 30 AND APARTMENT BOOK 23, PAGE 135 AND APARTMENT BOOK 24, PAGE 111, TOGETHER WITH THE RIPARIAN RIGHTS APPURTENANT THERETO.

EXHIBIT "B"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

ALLOCATED BOAT SLIPS ,
A LIMITED COMMON ELEMENT

<u>UNIT NUMBER</u>	<u>ALLOCATED BOAT SLIP SPACE NUMBER</u>
C-101	BS- E101
C-101	BS- E102
C-101	BS- E103
C-101	BS- E104
C-101	BS- E105
C-101	BS- E106
C-101	BS- E107
C-101	BS- E108
C-101	BS- E109
C-101	BS- E110
C-101	BS- F101
C-101	BS- F102
C-101	BS- F103
C-101	BS- F104
C-101	BS- F105
C-101	BS- F106
C-101	BS- F107
C-101	BS- F108
C-101	BS- F109
C-101	BS- F110
C-101	BS- F111
C-101	BS- F112
C-101	BS- F113
C-101	BS- F114
C-101	BS- F115
C-101	BS- F116
C-101	BS- F117
C-101	BS- F118
C-101	BS- F119
C-101	BS- F120
C-101	BS- G101
C-101	BS- G102
C-101	BS- G103
C-101	BS- G104
C-101	BS- G105
C-101	BS- G106

SEE CONTINUATION PAGE

CONTINUATION TO EXHIBIT "B"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

ALLOCATED BOAT SLIPS,
A LIMITED COMMON ELEMENT

<u>UNIT NUMBER</u>	<u>ALLOCATED BOAT SLIP SPACE NUMBER</u>
C-101	BS- G107
C-101	BS- G108
C-101	BS- G109
C-101	BS- G110
C-101	BS- H101
C-101	BS- H102
C-101	BS- H103
C-101	BS- H104
C-101	BS- H105
C-101	BS- H106
C-101	BS- H107
C-101	BS- H108
C-101	BS- H109
C-101	BS- H110
C-101	BS- H111
C-101	BS- H112
C-101	BS- H113
C-101	BS- H114
C-101	BS- H115
C-101	BS- H116
C-101	BS- H117
C-101	BS- H118
C-101	BS- I101
C-101	BS- I102
C-101	BS- I103
C-101	BS- I104
C-101	BS- I105
C-101	BS- I106
C-101	BS- I107
C-101	BS- I108
C-101	BS- I109
C-101	BS- I110
C-101	BS- J101
C-101	BS- J102
C-101	BS- J103
C-101	BS- J104
C-101	BS- J105

SEE CONTINUATION PAGE

CONTINUATION TO EXHIBIT "B"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

ALLOCATED BOAT SLIPS,
A LIMITED COMMON ELEMENT

<u>UNIT NUMBER</u>	<u>ALLOCATED BOAT SLIP SPACE NUMBER</u>
C-101	BS- J106
C-101	BS- J107
C-101	BS- J108
C-101	BS- J109
C-101	BS- J110
C-101	BS- K101
C-101	BS- K102
C-101	BS- K103
C-101	BS- K104
C-101	BS- K105
C-101	BS- K106
C-101	BS- K107
C-101	BS- K108
C-101	BS- K109
C-101	BS- K110
C-101	BS- K111
C-101	BS- K112
C-101	BS- K113
C-101	BS- K114
C-101	BS- K115
C-101	BS- K116
C-101	BS- K117
C-101	BS- K118
C-101	BS- K119
C-101	BS- K120
C-101	BS- K121
C-101	BS- K122
C-101	BS- K123
C-101	BS- K124
C-101	BS- L101
C-101	BS- L102
C-101	BS- L103
C-101	BS- L104
C-101	BS- L105
C-101	BS- L106
C-101	BS- L107
C-101	BS- L108
C-101	BS- L109
C-101	BS- L110
C-101	BS- L111

SEE CONTINUATION PAGE

CONTINUATION TO EXHIBIT "B"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

ALLOCATED BOAT SLIPS,
A LIMITED COMMON ELEMENT

THIS EXHIBIT WILL BE REVISED UPON THE FILING OF AN INCREMENTAL AMENDMENT BY THE DECLARANT , ACTING IN ACCORDANCE WITH THE ACT AND THE DECLARATION AND THIS AMENDMENT THERETO. DECLARANT RESERVED DEVELOPMENT RIGHTS TO CONSTRUCT ADDITIONAL PHASES IN THE PRIVATE MARINA IN CARIBE RESORT WITH A MAXIMUM OF SIXTY FIVE (65) BOAT SLIPS IN EACH PHASE OF CARIBE RESORT

In accordance with Section 35-8A-208 of the ACT, each Boat Slip allocated as a Limited Common Element to a Unit designated in this Incremental Amendment filed by the Developer, may be reallocated. Each Unit so designated shall be entitled to an exclusive easement for the use and enjoyment of said Boat Slip(s) allocated to that Unit, but such right shall not entitle an Owner to construct anything thereon nor to change any structural part thereof, nor use it for any commercial activities . Unit Owners, in accordance with Section 35-8A-208 of the ACT, may reallocate a Boat Slip to another Unit by an amendment to the Declaration . Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act or the Declaration, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Private Elements to which it was assigned or allocated as a Limited Common Element.

EXHIBIT "C"
TO
AN INCREMENTAL AMENDMENT TO THE DECLARATION OF
CONDOMINIUM OF CARIBE RESORT
(Marina Amendment)

COPY OF RIPARIAN EASEMENT OF STATE-OWNED SUBMERGED LANDS, RECORDED IN THE
OFFICE OF THE JUDGE OF PROBATE, BALDWIN COUNTY, ALABAMA AS INSTRUMENT NO.
1030271.

STATE OF ALABAMA)

BALDWIN COUNTY)

Exhibit "C"

RIPARIAN EASEMENT OF STATE-OWNED SUBMERGED LANDS

THIS EASEMENT is hereby issued by the STATE OF ALABAMA, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES, STATE LANDS DIVISION, hereinafter referred to as the GRANTOR.

WITNESSETH: That for and in consideration of payment of the annual riparian fees hereinafter provided and the faithful and timely performance of and compliance with all terms and conditions stated herein, the GRANTOR does hereby grant a riparian easement to LARRY WIREMAN, CARIBE RESORT, INC., AND CARIBE RESORT PHASE II, INC., hereinafter referred to as the Grantees, relating to the state-owned submerged lands which are more particularly described as follows:

A parcel of state owned submerged land located in T9S, R5E, S10 & 11 in the Old River/Perdido Pass area of Orange Beach, Baldwin County, AL containing approximately 448,056 square feet, more or less, which is more particularly shown on Exhibit "A," which is attached hereto and made a part hereof.

TO HAVE THE USE OF the hereinabove described premises for a period of ten (10) years from the effective date of this Easement beginning the 15th day of July, 2004, and expiring on the 14th day of July, 2014. The terms and conditions on and for which this Easement is granted are as follows:

1. **IMPROVEMENTS & OPERATIONS:** Improvements and operations conducted on the Easement Premises shall be limited to those directly associated with activities on the adjoining upland property which is owned by the Grantees hereof, and which upland property is more particularly described as follows:

Four parcels of privately owned upland property lying adjacent to the above described submerged parcel. Those upland parcels being more particularly shown on Exhibit "B" which is attached hereto and made a part hereof.

2. **USE OF PROPERTY:** The Grantees are authorized to construct and operate the subject facility to be used exclusively for boat docking in conjunction with the upland condominium structures. It shall be without fueling facilities, with a sewage pumpout facility, and without liveaboards as defined in paragraph 29; as shown and conditioned in the U.S. Army Corps of Engineers Application Number AL03-03801-U.

A. The construction of the improvements on state land shall be completed within two (2) years. The failure to complete the construction of all authorized structures within this time period shall constitute a material breach hereof, causing the Easement to automatically terminate without any right of renewal.

B. Notwithstanding anything herein to the contrary, the total length of the pier and all improvements shall not extend into the water more than 220 feet, measured from the mean high tide line. A ten (10) foot setback from adjacent riparian boundaries shall be maintained.

3. **EASEMENT FEES:** The Grantees hereby agree to pay to the Grantor in advance an annual easement fee which is the greater of:

A. Five-hundred and No/100 Dollars (\$500.00) minimum annual 2004 fees, which sum shall be adjusted by the changes to the Consumer Price Index (as herein provided) on the 2005 anniversary date hereof and each year thereafter that the Easement is in effect; or

B. Year 2004 base payment rental of \$0.125 per square foot (adjusted on each anniversary date hereof by changes in the Consumer Price Index as herein provided); or

C. Six percent (6%) of the gross rental value as determined by the State Lands Division of all wet slips located on state-owned submerged lands encompassed by this Easement.

1030271

The calculated payment on the basis of C is FIFTY-SIX THOUSAND SEVEN AND NO/100 DOLLARS (\$56,007.00).

The first annual easement payment shall be paid in advance to the State Lands Division in the amount of FIFTY-SIX THOUSAND SEVEN AND NO/100 DOLLARS (\$56,007.00)

Where a portion of the improvement on this Easement is utilized for wet slips and a portion thereof not used in connection therewith, the rental shall be apportioned on the basis of square footage of the Easement (not improvement) utilized for each purpose as provided above.

Effective on the one year anniversary date hereof, and each year thereafter, the remaining annual and base rates for submerged land easements shall be adjusted on the basis of fluctuations of the Consumer Price Index for All Urban Consumers (CPI-U), South Urban, as published by U.S. Department of Labor, Bureau of Labor Statics.

Each year the annual easement fee shall become due and payable and shall be remitted to the State Lands Division, as the Grantor, on or before the anniversary due date until the term of this Easement terminates or expires.

4. WET SLIP RENTAL CERTIFICATION: The Grantees shall provide upon request by the Grantor any and all information in a certified form needed to calculate the Easement fee specified in paragraph three (3) above, including the total number, length and configuration of wet slips.

5. LATE FEE ASSESSMENTS: The Grantees shall pay a late charge equal to interest at the rate of twelve percent (12%) per annum from the due date until paid on any easement fees due hereunder which are not paid within fifteen (15) days of their due dates or \$100.00, whichever amount is greater.

6. AGREEMENT TO EXTENT OF USE: This Easement is given to the Grantees to use or occupy the Easement premises only for those water dependent activities specified herein and as conditioned by the Grantor. The Grantees shall not change or add to the approved use of the Easement premises as defined herein (e.g., from commercial to multi-family residential, from temporary mooring to rental of wet slips, from rental of wet slips to contractual agreement with third party for docking of tour boats/ cruise ships, from rental of recreational pleasure craft to rental or temporary mooring of charter/tour boats, from loading/offloading commercial to rental of wet slips, etc.). Grantees shall not change activities in any manner that may have an environmental impact that was not considered in the original authorization or regulatory permit, or shall not change the type of use of the riparian uplands without first obtaining Grantor's written authorization in the form of a modified easement, the payment of additional fees, if applicable, and, if applicable, the removal of any structures which may no longer qualify for authorization under the modified easement.

7. PROPERTY RIGHTS: The Grantees shall make no claim of title or interest to the subject state-owned submerged lands hereinbefore described by reason of the occupancy or use thereof, and all title and interest to said land hereinbefore described is vested in the Grantor. The Grantees are prohibited from including, or making any claim that purports to include, said lands described as the Grantees' easement interests in said lands into any form of private ownership, including but not limited to any form of condominium or cooperative ownership or guarantee of a boat slip to occupancy of any housing unit. The Grantees are further prohibited from making any claim, including any advertisement, that said land, or the use thereof, may be purchased, sold, or re-sold.

Grantees further understand and agree that under no circumstance shall the construction of any facility on state-owned submerged lands be configured to create an enclave between adjacent riparian owners.

It is specifically understood by the Grantees that the Easement is made subject to any and all rights outstanding in the public as to navigation over and through the waters adjacent to the Easement Premise.

8. INTEREST IN RIPARIAN UPLAND PROPERTY: During the term of this Easement, the Grantees, or their successor(s) in interest, shall maintain a leasehold or fee simple title interest in the riparian upland property and if such interest is terminated, the Easement may be terminated at the option of the Grantor. Prior to sale and/or termination of the Grantees'

leasehold or fee simple title interest in the upland property, Grantees shall inform any potential buyer or transferee of the Grantees' upland property interest of the existence of this Easement and all its terms and conditions and shall complete and execute any documents required by the Grantor to effect an assignment of this Easement, if consented to by the Grantor. Failure to do so will not relieve the Grantees from responsibility for full compliance with the terms and conditions of this Easement which include, but are not limited to, payment of all fees and/or penalty assessments incurred prior to such act.

9. **ASSIGNMENT OF EASEMENT:** This Easement shall not be assigned or otherwise transferred without prior written consent of the Grantor or its duly authorized agent, such consent not to be unreasonably withheld. Such assignment or other transfer shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. Any assignment or other transfer without prior written consent of the Grantor shall be null and void and without legal effect.

10. **INDEMNIFICATION/INVESTIGATION OF ALL CLAIMS:** The Grantees shall investigate all claims of every nature arising out of this Easement at their expense, and shall indemnify, defend and save and hold harmless the Grantor and the State of Alabama from all claims, actions, lawsuits and demands arising out of this Easement.

11. **VENUE:** Grantees waive venue as to any litigation arising from matters relating to this Easement and any such litigation between Grantor and Grantees shall be initiated and maintained only in Montgomery County, Alabama.

12. **NOTICES/COMPLIANCE/TERMINATION:** The Grantees bind themselves, their successors and assigns, to abide by the provisions and conditions herein set forth, and said provisions and conditions shall be deemed covenants of the Grantees, their successors and assigns. In the event the Grantees fail or refuse to comply with the provisions and conditions herein set forth, or in the event the Grantees violate any of the provisions and conditions herein, or fail or refuse to comply with the provisions and conditions herein set forth within twenty (20) days of receipt of the Grantor's notice to correct, this Easement may be terminated by the Grantor upon thirty (30) days written notice to Grantees. Grantees further understand and agree that if the structures located on the Easement Premises are substantially destroyed by catastrophic event, Grantees shall be afforded a period of (180) days within which to restore such structures to their condition immediately prior to sustaining such damage, and in such event, the term of this riparian easement shall not be affected thereby. In the event Grantees should fail to restore such structures to their pre-damage condition within such 180 day period, this Easement shall automatically terminate. If canceled, all of the above-described parcel of land shall revert to the Grantor. Grantees shall immediately vacate Easement Premises peacefully and will surrender the same to Grantor. All costs and attorneys' fees incurred by the Grantor to enforce the provisions of this Easement shall be paid by the Grantees. All notices required to be given to the Grantees by this Easement or applicable law or administrative rules shall be sufficient if sent by U.S. Mail to the following address:

Caribe Resort, Inc.
c/o Larry Wireman
Post Office Box 189
Orange Beach, AL 36561

The Grantees shall notify the Grantor by certified mail of any change to this address at least ten (10) days before the change is effective.

All sums becoming due shall be made payable to and all notices from Grantees to Grantor shall be addressed to Grantor at:

Department of Conservation and
Natural Resources
Director, State Lands Division
64 North Union Street,
Suite 464
Montgomery, Alabama 36130-1901

13. **TAXES AND ASSESSMENTS:** The Grantees shall assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the

effective period of this Easement.

14. NUISANCES OR ILLEGAL OPERATIONS: The Grantees shall not permit the Easement Premises or any part thereof to be used or occupied for any purpose or business other than herein specified unless such proposed use and occupancy are consented to by the Grantor and the Easement is modified accordingly, nor shall Grantees knowingly permit or suffer any nuisances or illegal operations of any kind on the Easement premises.

15. MAINTENANCE OF FACILITY/RIGHT TO INSPECT: The Grantees shall maintain the Easement Premises in good condition, keeping the structures and equipment located thereon in a good state of repair in the interests of public health, safety and welfare. No dock or pier shall be constructed in any manner that would cause harm to wildlife or fisheries resources. All costs of constructing equipping and maintaining any facility located on the Easement Premises shall be at the expense of the Grantees.

The Easement Premises shall be subject to inspection by the Grantor or its designated agent at any reasonable time.

16. NONDISCRIMINATION: The Grantees shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the area subject to this Easement or upon lands adjacent to and used as an adjunct of the Easement area.

17. ENFORCEMENT OF PROVISIONS: No failure, or successive failures, on the part of the Grantor to enforce any provision, nor any waiver or successive waivers on its part of any provision herein, shall operate as a discharge thereof or render the same inoperative or impair the right of the Grantor to enforce the same upon any renewal thereof or in the event of subsequent breach or breaches.

18. PERMISSION GRANTED: Upon expiration or cancellation of this Easement all permission granted hereunder shall cease and terminate.

19. RENEWAL PROVISIONS: Renewal of this Easement shall be at the sole option of the Grantor. Such renewal shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. In the event that Grantees are in full compliance with the terms of this Easement, the Grantees may apply in writing for a renewal. Such application for renewal must be received by Grantor no sooner than 120 days and no later than 30 days prior to the expiration date of the original or current term hereof. The term of any renewal granted by the Grantor shall commence on the last day of the previous Easement term. If the Grantees fail to timely apply for a renewal, or in the event the Grantor does not grant a renewal, the Grantees shall vacate the Easement premises and remove all structures and equipment occupying and erected thereon at its expense. The obligation to remove all structures authorized herein upon termination of this Easement shall constitute an affirmative covenant upon the riparian upland property more specifically described herein, which shall run with the title to said riparian upland property, and shall be binding upon Grantees and Grantees' successors in title or successors in interest.

20. REMOVAL OF STRUCTURES: If the Grantees do not remove said structures and equipment occupying and erected upon the Easement Premises after expiration or cancellation of this Easement, such structures and equipment will be deemed forfeited to the Grantor, and the Grantor may authorize removal and may sell such forfeited structures and equipment after ten (10) days written notice by certified mail addressed to the Grantees at the address specified in Paragraph 12 or at such address on record as provided by the Grantees. However, such remedy shall be in addition to all other remedies available to the Grantor under applicable laws, rules and regulations including the right to compel removal of all structures.

21. REMOVAL COSTS/LIEN ON RIPARIAN UPLAND PROPERTY: Any costs incurred by the Grantor in removal of any structures and equipment constructed or maintained on state lands shall be paid by Grantees and any unpaid costs and expenses shall constitute a lien upon the interest of the Grantees in its riparian upland property enforceable as provided by Law.

22. RECORDATION OF EASEMENT: The Grantees, at their own expense, shall record this fully executed Easement in its entirety in the public records of the county within which the Easement site is located within fourteen (14) days after receipt, and shall provide to the Grantor within ten (10) days following the recordation a copy of the recorded Easement in its

entirety which contains the book and pages or other reference describing where the Easement is recorded.

23. RIPARIAN RIGHTS/FINAL ADJUDICATION: In the event that any part of any structure authorized hereunder is determined by a final adjudication issued by a court of competent jurisdiction to encroach on or interfere with adjacent riparian rights, Grantees agree to either obtain written consent for the offending structure from the affected riparian owner or remove the interference or encroachment within 60 days from the date of the adjudication. Failure to comply with this paragraph will constitute a material breach of this Easement Agreement and shall be grounds for immediate termination of this Easement Agreement at the option of the Grantor.

24. AMENDMENTS/MODIFICATIONS: This Easement is the entire and only agreement between the parties. Its provisions are not severable. Any amendment or modification to this Easement must be in writing, must be accepted, acknowledged and executed by the Grantees and Grantor, and must comply with the rules and statutes in existence at the time of the execution of the modification or amendment. Notwithstanding the provisions of this paragraph, if mooring is authorized by this Easement, the Grantees may install boatlifts within the Easement Premises without formal modification of the Easement provided that (a) the Grantees obtain any state or local regulatory permit that may be required; and (b) the location or size of the lift does not increase the mooring capacity of the facility.

25. ADVERTISEMENT/SIGNS/NON-WATER DEPENDENT ACTIVITIES/ADDITIONAL ACTIVITIES/MINOR STRUCTURAL REPAIRS: No permanent or temporary commercial advertising signs shall be erected upon or placed within the Easement area. No restaurant or dining activities are to occur within the Easement area. No toilet facilities shall be constructed or maintained within the Easement area. The Grantees shall ensure that no permanent, temporary or floating structures, fences, docks, pilings or any structures whose use is not water-dependent shall be erected or conducted over state-owned submerged lands without prior written consent from the Grantor. No additional structures and/or activities including dredging, relocation/realignment or major repairs or renovations to authorized structures, shall be erected or conducted on or over state-owned, submerged lands without prior written consent from the Grantor. Unless specifically authorized in writing by the Grantor, such activities or structures shall be considered unauthorized and may subject holder of this Easement to criminal and/or civil penalties. This condition does not apply to minor structural repairs required to maintain the authorized structures in a good state of repair in the interests of public health, safety or welfare; provided, however, that such activities shall not exceed the activities authorized by this Agreement.

26. COE AUTHORIZATION: Prior to commencement of construction and/or activities authorized herein, the Grantees shall obtain a U.S. Army Corps of Engineers (COE) permit, if it is required by the COE. Any modifications to the construction and/or activities authorized herein that may be required by the COE shall require consideration by and the prior written approval of the Grantor prior to the commencement of construction and/or any activities on state-owned, submerged lands. Grantees' Corps of Engineers Application Number is AL03-03801-U.

27. COMPLIANCE WITH ALABAMA LAWS: On or in conjunction with the use of the Easement Premises, the Grantees shall at all times comply with all Alabama Statutes and all administrative rules promulgated thereunder. Any unlawful activity which occurs on the Easement Premises or in conjunction with the use of the Easement Premises shall be grounds for the termination of this Easement by the Grantor.

28. DISPOSAL OF HAZARDOUS WASTE PROHIBITED: Grantees shall not place or dispose of any hazardous material upon the premises. In the event the Grantees violate the intent of this paragraph the Easement shall be terminated immediately. Grantees shall be responsible for any cleanup required on the property as a result of Grantees' actions.

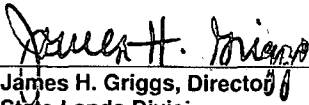
29. LIVEABOARDS: The term "liveaboard" is defined as a vessel docked at the facility and inhabited by a person or persons for any five (5) consecutive days or a total of ten (10) days within a thirty (30) day period. If liveaboards are authorized by paragraph one (1) of this Easement, in no event shall such "liveaboard" status exceed six (6) months within any twelve (12) month period, nor shall any such vessel constitute a legal or primary residence.

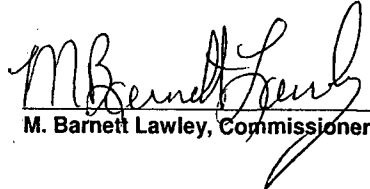
30. SPECIAL EASEMENT CONDITIONS: None

IN WITNESS WHEREOF, the Parties to this Easement have duly executed and affixed their signatures on this the 20th day of August 2004.

RECOMMENDED:

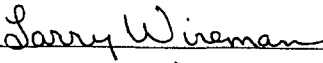
STATE OF ALABAMA
DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES


James H. Griggs, Director
State Lands Division


M. Barnett Lawley, Commissioner

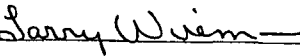
TERMS ACCEPTED:
CARIBE RESORT, INCORPORATED

TERMS ACCEPTED:

By: 
Its: President


Larry Wireman

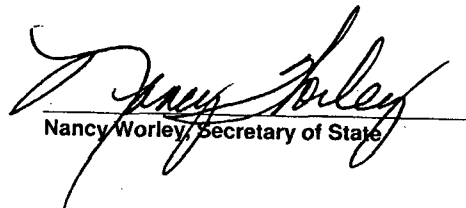
TERMS ACCEPTED:
CARIBE RESORT PHASE II, INCORPORATED

By: 
Its: President

APPROVED:

ATTEST:


Bob Riley, Governor of Alabama


Nancy Worley, Secretary of State

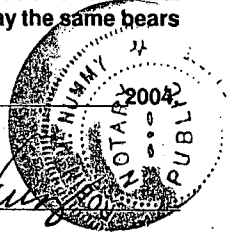
THIS EASEMENT HAS BEEN REVIEWED FOR COMPLIANCE WITH ALL APPLICABLE LAWS, RULES, AND REGULATIONS OF THE STATE OF ALABAMA GOVERNING THESE MATTERS

STATE OF ALABAMA)
)
MONTGOMERY COUNTY)

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that M. Barnett Lawley, whose name as Commissioner of Conservation and Natural Resources of the State of Alabama 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 foregoing instrument, he, in his capacity as such Commissioner of Conservation and Natural Resources of the State of Alabama executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 20 day of August

R. M. N...
Notary Public



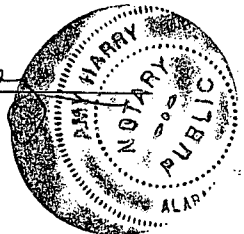
My Commission Expires 1/14/08

STATE OF Alabama)
Baldwin County)

I, Amy Harry, a Notary Public in and for said Alabama in said State, hereby certify that Larry Wireman, whose name 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 within instrument, executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 2 day of August, 2004.

Amy Harry
Notary Public

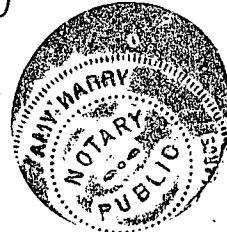


STATE OF Alabama)
Baldwin County)

I, Amy Harry, a Notary Public in and for said Alabama in said State, hereby certify that Larry Wireman, whose name as President of Caribe Resort, Incorporated 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 within instrument, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said Caribe Resort, Incorporated on the day the same bears date.

Given under my hand and seal this the 2 day of August, 2004.

Amy Harry
Notary Public



STATE OF Alabama)
Baldwin County)

I, Amy Harry, a Notary Public in and for said
in said State, hereby certify that Larry Wireman, whose
name as President of Caribe Resort Phase II, Incorporated 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 within instrument, he/she as such officer and with
full authority, executed the same voluntarily for and as the act of said Caribe Resort Phase II,
Incorporated on the day the same bears date.

Given under my hand and seal this the 2 day of August, 2004.

Amy Harry
Notary Public

3-1
07/28/2004
JHG:rsh
oc: file (2), party (1)
37

This instrument prepared by
Otis J. Goodwyn, Chief Legal Counsel
Department of Conservation and Natural Resources
64 North Union Street
Montgomery, Alabama 36130-1901



Carlie Resort
 Location Map
 AT OLD RIVER AND HIGHWAY 182
 IN ORANGE BEACH, ALABAMA
 COUNTY OF BALDWIN
 STATE OF ALABAMA
 APPLICATION BY: LARRY WIREMAN
 SHEET 2 OF 3

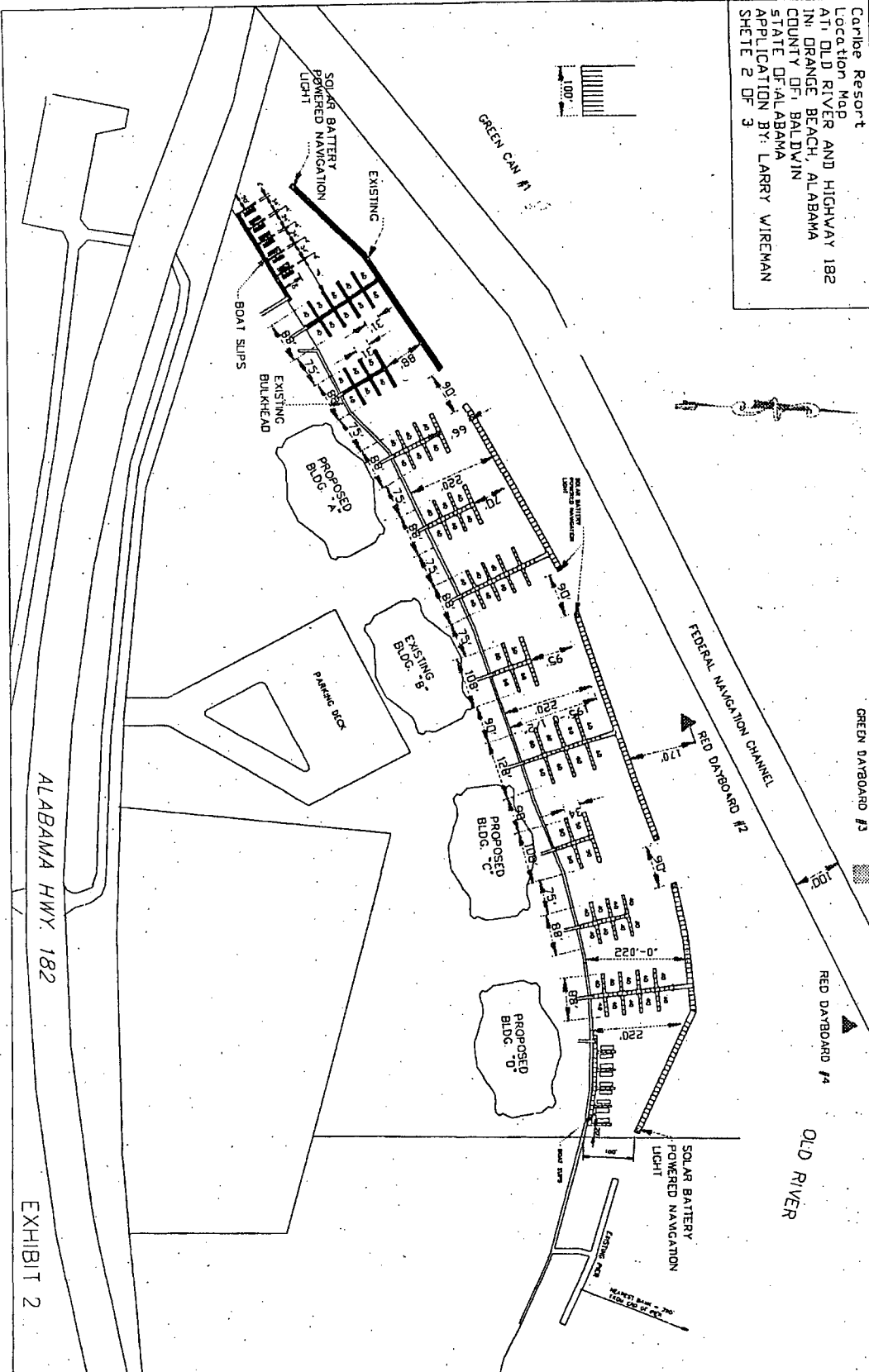


EXHIBIT A
RIPARIAN EASEMENT NO. 03-007
LARRY WIREMAN, ET. AL., GRANTEES
BALDWIN COUNTY, T09S, R05E, S10 & 11
PAGE 1 OF 1

A parcel of land in Baldwin County, Alabama, and being more particularly described as follows:

Commencing at the historical geographical location of the Southwest corner (Grid Coordinates - N 101,035.616, E 484,861.677) of Fractional Section 11, Township Nine South, Range 5 East, St. Stephens Meridian, which is also the Southeast corner of Fractional Section 10, Township 9 South, Range 5 East, St. Stephens Meridian, and thence South 78 degrees 05 minutes 16 seconds East, 1501.48 feet to the POINT OF BEGINNING (Grid Coordinates = N 100,725.689, E 486,330.823) which is on the North right-of-way of Alabama Highway No. 182; thence South 84 degrees 55 minutes 52 seconds West, along said right-of-way, a chord distance of 100.38 feet, which is also intended to run contiguous to and along the North right-of-way of said Highway No. 182; thence North 00 degrees 04 minutes 14 seconds West, 339.47 feet; thence North 74 degrees 55 minutes 36 seconds West, 876.00 feet; thence South 05 degrees 37 minutes 32 seconds West, 585.31 feet to the North right-of-way of said Highway No. 182; thence North 82 degrees 26 minutes 56 seconds West along said highway a chord distance of 1178.42 feet to the P.C. of a curve, which is also intended to run contiguous to and along the North right-of-way of said Highway No. 182; thence North 77 degrees 37 minutes 44 seconds West, along said Highway 229 feet, more or less, to the mean high tide line of Perdido Pass; thence Northeastwardly and eastwardly along the meanders of the mean high tide line of Perdido Pass and Old River to a point that bears North 00 degrees 04 minutes 14 seconds West from the point of beginning; thence South 00 degrees 04 minutes 14 seconds East, 778 feet, more or less, to the POINT OF BEGINNING. Said parcel lying and being situated in the historical geographical location of Fractional Sections 10 and 11, Township 9 South, Range 5 East, St. Stephens Meridian and shall also be construed to be in Fractional Section 3, Township 4 South, Range 33 West, Tallahassee Meridian and contains 30 acres, more or less.

EXHIBIT B
RIPARIAN EASEMENT NO. 03-007
LARRY WIREMAN, ET. AL., GRANTEES
BALDWIN COUNTY, T09S, R05E, S10 & 11
PAGE 1 OF 3

PARCEL A

COMMENCE AT THE HISTORICAL GEOGRAPHIC LOCATION OF THE SOUTHWEST CORNER OF FRACTIONAL SECTION 11, TOWNSHIP 9 SOUTH, RANGE 5 EAST OF THE ST. STEPHENS MERIDIAN (GRID COORDINATES NORTH 100,831.772, EAST 484,903.190) AS PER PLAT OF SURVEY BY SAM R. BRUNER DATED NOVEMBER 12, 1982 AND REVISED ON MAY 22, 1983; THENCE RUN SOUTH 63 DEGREES 31 MINUTES 02 SECONDS EAST, 271.96 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY 182 (300' REC. R/W) FOR THE POINT OF BEGINNING; THENCE RUN ALONG SAID RIGHT-OF-WAY IN A CURVE TO THE RIGHT HAVING A RADIUS OF 7012.02 FEET, AN ARC LENGTH OF 308.47 FEET AND A CHORD OF NORTH 84 DEGREES 31 MINUTES 03 SECONDS WEST, 308.44 FEET; THENCE LEAVING SAID RIGHT-OF-WAY RUN NORTH 05 DEGREES 53 MINUTES 10 SECONDS EAST, 293.81 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 27 DEGREES 19 MINUTES 14 SECONDS WEST, 150.00 FEET; THENCE RUN NORTH 05 DEGREES 53 MINUTES 10 SECONDS EAST, 21.91'; THENCE RUN SOUTH 27 DEGREES 19 MINUTES 14 SECONDS EAST, 150.00 FEET; THENCE RUN SOUTH 05 DEGREES 53 MINUTES 10 SECONDS WEST, 21.91' TO THE POINT OF BEGINNING, CONTAINING 1,800 SQUARE FEET, MORE OR LESS.

PARCEL B

COMMENCE AT THE HISTORICAL GEOGRAPHIC LOCATION OF THE SOUTHWEST CORNER OF FRACTIONAL SECTION 11, TOWNSHIP 9 SOUTH, RANGE 5 EAST OF THE ST. STEPHENS MERIDIAN (GRID COORDINATES NORTH 100,831.772, EAST 484,903.190) AS PER PLAT OF SURVEY BY SAM R. BRUNER DATED NOVEMBER 12, 1982 AND REVISED ON MAY 22, 1983; THENCE RUN SOUTH 63 DEGREES 31 MINUTES 02 SECONDS EAST, 271.96 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY 182 (300' REC. R/W) FOR THE POINT OF BEGINNING; THENCE RUN ALONG SAID RIGHT-OF-WAY IN A CURVE TO THE RIGHT HAVING A RADIUS OF 7012.02 FEET, AN ARC LENGTH OF 308.47 FEET AND A CHORD OF NORTH 84 DEGREES 31 MINUTES 03 SECONDS WEST, 308.44 FEET; THENCE LEAVING SAID RIGHT-OF-WAY RUN NORTH 05 DEGREES 53 MINUTES 10 SECONDS EAST, 293.81 FEET; THENCE RUN NORTH 27 DEGREES 19 MINUTES 14 SECONDS WEST, 150.00 FEET; THENCE RUN NORTH 05 DEGREES 53 MINUTES 10 SECONDS EAST, 21.91'; THENCE RUN NORTH 27 DEGREES 19 MINUTES 14 SECONDS WEST, 96.67 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 83 DEGREES 31 MINUTES 25 SECONDS WEST, 50.28 FEET TO A POINT; THENCE NORTH 57 DEGREES 18 MINUTES 04 SECONDS WEST, 80.00 FEET MORE OR LESS, TO A BULKHEAD ON THE SOUTH MARGIN OF PERDIDO PASS / OLD RIVER; THENCE MEANDERING ALONG SAID BULKHEAD A CHORD OF NORTH 63 DEGREES 57 MINUTES 02 SECONDS EAST, 46.79 FEET, TO A POINT; THENCE LEAVING SAID BULKHEAD RUN SOUTH 57 DEGREES 18 MINUTES 04 SECONDS EAST, 80.42 FEET TO A POINT; THENCE RUN SOUTH 27 DEGREES 19 MINUTES 14 SECONDS EAST, 16.49 FEET TO THE POINT OF BEGINNING, CONTAINING 3,596 SQUARE FEET, MORE OR LESS.

EXHIBIT B
RIPARIAN EASEMENT NO. 03-007
LARRY WIREMAN, ET. AL., GRANTEEES
BALDWIN COUNTY, T09S, R05E, S10 & 11
PAGE 2 OF 3

654112

State of Alabama, Baldwin County
I certify this instrument was filed
and taxes collected on:

2007 February - 6 7:57AM

Instrument Number 1830271 Pages 12
Recording 36.00 Mortgage
Deed .50 Min Tax
Index pp 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

COMMENCE AT THE HISTORICAL GEOGRAPHIC LOCATION OF THE SOUTHWEST CORNER OF FRACTIONAL SECTION 11, TOWNSHIP 9 SOUTH, RANGE 5 EAST OF THE ST. STEPHENS MERIDIAN (GRID COORDINATES NORTH 100,831.772, EAST 484,903.190) AS PER PLAT OF SURVEY BY SAM R. BRUNER DATED NOVEMBER 12, 1982 AND REVISED ON MAY 22, 1983; THENCE RUN SOUTH 72 DEGREES 58 MINUTES 40 SECONDS EAST, 453.12 FEET TO A CAPPED REBAR FOUND (HIRE) ON THE NORTH RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY 182 (300' REC. R/W); THENCE NORTH 05 DEGREES 35 MINUTES 52 SECONDS EAST FOR A DISTANCE OF 585.32 FEET; THENCE SOUTH 74 DEGREES 56 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 363.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 74 DEGREES 56 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 299.90 FEET TO A CAPPED REBAR FOUND AT THE SOUTHWEST CORNER OF LOT 13, OF CARIBE "A VILLAGE RESORT" AS PER PLAT THEREOF RECORDED ON SLIDE 1400-B IN THE PROBATE RECORDS OF BALDWIN COUNTY, ALABAMA; THENCE RUN NORTH 00 DEGREES 05 MINUTES 29 SECONDS WEST ALONG THE WEST LINE OF CARIBE "A VILLAGE RESORT" FOR A DISTANCE OF 560 FEET MORE OR LESS TO A POINT AT THE INTERSECTION OF SAID WEST LINE OF CARIBE "A VILLAGE RESORT" AND THE SOUTHERN MARGIN OF PERDIDO PASS/OLD RIVER; THENCE ALONG A BULKHEAD ON THE SOUTHERN MARGIN OF PERDIDO PASS/OLD RIVER A CHORD BEARING AND DISTANCE OF NORTH 89 DEGREES 25 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 481.58 FEET; THENCE SOUTH 08 DEGREES 28 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 250.01 FEET; THENCE NORTH 81 DEGREES 27 MINUTES 43 SECONDS EAST FOR A DISTANCE OF 120.36 FEET; THENCE SOUTH 08 DEGREES 32 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 249.22 FEET TO THE POINT OF BEGINNING.

739731

EXHIBIT "D"
to the Incremental Amendment

Initial Operating Budget
For
Caribe Resort Marina
Located in Phases I, II and III
(based on 100% occupancy)

Easement Fees (State)		56,007
Full time Employee		60,000
Cleaning/Rust Prot/Maint		20,000
Security		24,000
Electricity		3,000
Sewer		1,500
Water		24,000
Waste Disposal		9,000
Cable/Internet		27,120
Repair & Replacement Reserve		100,000
Property Insurance		**
Liability Insurance		4,000
Accounting & Billing		12,000
Misc.		12,000

TOTAL 352,627

Projected Maintenance Fee:

Total per year per slip 3,121
Total per month per slip 260

** Initial Budget DOES NOT provide any
funds for the purchase of hazard/casualty insurance
coverage for the improvements located
within the Marina Area

SEE PAGE TWO FOR ADDITIONAL
INFORMATION AND NOTES

EXHIBIT "D"
to the Incremental Amendment

OPERATING BUDGET
FOR
CARIBE RESORT MARINA
LOCATED IN PHASES I, II and III
(based on 100% occupancy)

Projected Budget for the initial year of Operation

INCOME (see page 1 for Budget breakdown)	
Boat Slip Unit Owners Fees	\$ 352,627.00
 TOTAL INCOME	 \$ 352,627.00
Projected monthly maintenance expense:	

Type "A" Boat Slips: \$3,121.00 per year / \$260.00 per month

Type "B" Boat Slips: \$3,121.00 per year / \$260.00 per month

Type "C" Boat Slips: \$3,121.00 per year / \$260.00 per month

Type "D" Boat Slips: \$3,121.00 per year / \$260.00 per month

Type "E" Boat Slips: \$3,121.00 per year / \$260.00 per month

Regardless of size, all Boat Slips are assessed equally.

NOTES:

The above Estimated Operating Budget was prepared in February, 2007, by the Developer and is based upon 100% occupancy of the Marina. The Developer shall not be responsible for any increase in the Common Expenses (both Common and Limited Common) of the Marina located in Caribe Resort Condominium, which is managed by Caribe Resort Condominium Association, Inc. ("Association"), occasioned by increases, due to but not limited to inflationary and unforeseen cost, in the respective cost of water, sewer, maintenance, utilities, insurance, or other matters. The fiscal management of the Marina shall be governed by the Board of Directors of the Association as set forth in the Declaration and By-laws of the Association. Purchaser is responsible for the payment of all utilities individually metered or connected to his Limited Common Element Boat Slip and pro rata share of expenses associated with the Marina. The estimated Common Expense for the Marina located in Phases I, II and III is deemed reasonably accurate and adequate as of the date of its preparation, but no warranty or guarantee is intended. No unit owner, which has been allocated a Boat Slip shall be exempt from paying his/her proportionate share of the Limited Common Expense Assessment for the Marina by waiver or nonuse or non enjoyment of the Limited Common Elements located therein. The Developer has not attempted to estimate the budget with the inclusion of any other Phase in the Marina, which Developer makes no assurances will be constructed.