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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

CARRINGTON LAKES

A PLANNED RESIDENTIAL COMMUNITY

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS	5
ARTICLE 2: PROPERTY RIGHTS	10
2.1 <u>Common Area</u>	10
2.2 <u>Exclusive Common Area</u>	11
2.3 <u>Assumption of Risk/Indemnity</u>	12
ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS	12
3.1 <u>Membership</u>	12
3.2 <u>Voting</u>	13
3.3 <u>Villages, Voting Delegates and Voting Groups</u>	14
3.4 <u>Owners of the Outside Lots</u>	15
ARTICLE 4: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	15
4.1 <u>Functions of Association</u>	15
4.2 <u>Enforcement</u>	15
4.3 <u>Implied Rights; Board Authority</u>	17
4.4 <u>Governmental Interests</u>	17
4.5 <u>Dedication of Common Area</u>	17
4.6 <u>Security</u>	17
4.7 <u>Provision of Services</u>	17
ARTICLE 5: MAINTENANCE	17
5.1 <u>Association's Responsibilities</u>	17
5.2 <u>Owner's Responsibility</u>	19
5.3 <u>Village's Responsibility</u>	19
5.4 <u>Standard of Performance</u>	19
5.5 <u>Party Walls and Similar Structures</u>	20
ARTICLE 6: ANNEXATION AND WITHDRAWAL OF PROPERTY	20
6.1 <u>Annexation Without Approval of Membership</u>	20
6.2 <u>Annexation With Approval of Membership</u>	21
6.3 <u>Withdrawal of Property</u>	21
ARTICLE 7: ASSESSMENTS	21
7.1 <u>Creation of Assessments</u>	21
7.2 <u>Computation of General Assessment</u>	22
7.3 <u>Lake Assessments</u>	23
7.4 <u>Reserve Budgets</u>	23
7.5 <u>Assessment Amounts and Limitations on Increases</u>	23
7.6 <u>Special Assessments</u>	24
7.7 <u>Specific Assessments</u>	24

7.8	<u>Lien for Assessments</u>	24
7.9	<u>Date of Commencement of Assessments</u>	25
7.10	<u>Failure to Assess</u>	25
7.11	<u>Exempt Property</u>	25
ARTICLE 8: ARCHITECTURAL STANDARDS		26
8.1	<u>General</u>	26
8.2	<u>Architectural Review Board</u>	26
8.3	<u>Limitation of Liability</u>	27
8.4	<u>Enforcement</u>	27
ARTICLE 9: USE RESTRICTIONS		28
9.1	<u>General</u>	28
9.2	<u>Rules and Regulations</u>	28
9.3	<u>Residential Use</u>	28
9.4	<u>Signs</u>	29
9.5	<u>Vehicles</u>	29
9.6	<u>Leasing</u>	29
9.7	<u>Occupants Bound</u>	30
9.8	<u>Animals and Pets</u>	30
9.9	<u>Nuisance</u>	30
9.10	<u>Exterior Structures</u>	30
9.11	<u>Streams</u>	31
9.12	<u>Prohibited Conditions</u>	31
9.13	<u>Drainage and Grading</u>	31
9.14	<u>Sight Distance at Intersections</u>	31
9.15	<u>Storage of Materials, Garbage, Dumping, Etc.</u>	31
9.16	<u>Subdivision of Unit</u>	32
9.17	<u>Guns</u>	32
9.18	<u>Combustible Liquid</u>	32
9.19	<u>Occupancy of Unfinished Units</u>	32
9.20	<u>Temporary Structures</u>	32
9.21	<u>Lakes and Other Water Bodies</u>	32
9.22	<u>Wetlands</u>	33
9.23	<u>Standard Mailboxes</u>	33
ARTICLE 10: EASEMENTS		33
10.1	<u>Easements of Encroachment</u>	33
10.2	<u>Easements for Utilities, Etc.</u>	33
10.3	<u>Easement for Slope Control, Drainage and Waterway Maintenance</u>	34
10.4	<u>Easements to Serve Additional Property</u>	35
10.5	<u>Easement for Entry</u>	35
10.6	<u>Easements for Maintenance and Enforcement</u>	35
10.7	<u>Easements for Lake and Pond Maintenance and Flood Water</u>	36
10.8	<u>Lateral Support</u>	36
10.9	<u>Easements for Private Amenities</u>	36

2005 15286
Recorded in the Above
DEED Book & Page
12-09-2005 04:20:21 PM

10.10	<u>Liability for Use of Easements</u>	37
10.11	<u>Easement for Special Events</u>	37
10.12	<u>Rights to Stormwater Runoff, Effluent and Water Reclamation</u>	37
10.13	<u>Easement for Greenbelt Maintenance</u>	37
ARTICLE 11: MORTGAGEE PROVISIONS		38
11.1	<u>Notices of Action</u>	38
11.2	<u>Special FHLMC Provision</u>	39
11.3	<u>No Priority</u>	39
11.4	<u>Notice to Association</u>	40
11.5	<u>Failure of Mortgagee to Respond</u>	40
11.6	<u>Construction of Article 11</u>	40
ARTICLE 12: DECLARANT'S RIGHTS		40
ARTICLE 13: PRIVATE AMENITIES		41
13.1	<u>General</u>	41
13.2	<u>Conveyance of Private Amenities</u>	41
13.3	<u>Rights of Access and Parking</u>	41
13.4	<u>View Impairment</u>	42
13.5	<u>Covenant to Share Costs</u>	42
13.6	<u>Use Restrictions</u>	42
13.7	<u>Limitations on Amendments</u>	42
13.8	<u>Jurisdiction and Cooperation</u>	42
ARTICLE 14: GENERAL PROVISIONS		42
14.1	<u>Duration</u>	42
14.2	<u>Amendment</u>	43
14.4	<u>Dispute Resolution</u>	44
14.5	<u>Litigation</u>	44
14.6	<u>Non-Merger</u>	44
14.7	<u>Grants</u>	44
14.8	<u>Cumulative Effect; Conflict</u>	45
14.9	<u>Compliance</u>	45
14.10	<u>Notice of Sale or Transfer of Title</u>	45
14.11	<u>Exhibits</u>	45

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

CARRINGTON LAKES

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made as of the date on the signature page hereof by Carrington Lakes, LLC, an Alabama limited liability company (the "Declarant").

Declarant is the owner of the First Subdivision. This Declaration is intended (i) to impose upon the Properties (as defined in Article I below) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Affected Property and (ii) to establish a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of the Association to own, operate and maintain Common Areas and to administer and enforce the provisions of the Governing Documents.

Declarant hereby declares that all of the Affected Property shall be held, sold, used and conveyed subject to the easements, restrictions, covenants, and conditions set forth in this Declaration, all of which shall run with the title to the Affected Property. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Affected Property, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Affected Property.

ARTICLE 1: DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Additional Property". Any real property hereafter subjected to the terms of this Declaration under Article 6.

1.2 "Affected Property". Affected Property means and includes the First Subdivision, together with any Additional Property, but such term shall not mean or refer to any land or property withdrawn from this Declaration under Section 6.3.

1.3 "ARB". The Architectural Review Board, as described in Section 8.2.

1.4 "Area of Common Responsibility". The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenant, contract, or agreement. The Association may be relieved of all or any portion of these responsibilities to the extent that such responsibility is assigned to an Owner, the owner or operator of any Private Amenity, any

Village Association, any commercial or other community association or any other Person.

1.5 "Articles". The Articles of Incorporation of the Association, as the same may be amended from time to time.

1.6 "Association". The Carrington Lakes Community Association, Inc., an Alabama nonprofit corporation, its successors or assigns.

1.7 "Board". The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Alabama corporate law.

1.8 "Builder". Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of business. Any Person occupying or leasing a Unit for residential purposes shall cease to be considered a Builder with respect to such Unit immediately upon occupation of the Unit for residential purposes, notwithstanding that such Person originally purchased the Unit for the purpose of constructing improvements for later sale to consumers.

1.9 "By-Laws". The By-Laws of the Association, as they may be amended from time to time.

1.10 "Class "A" Members". This term is defined in Section 3.2(a) below.

1.11 "Class "B" Members". This term is defined in Section 3.2(b) below.

1.12 "Clubhouse". The Clubhouse of approximately 5,000 square feet to be constructed by the Declarant in connection with the Swim and Tennis Facilities.

1.13 "Common Area". All real and personal property, including easements, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners, including, without limitation, the Clubhouse, the Swim and Tennis Club, any Common Lakes, any Private Lakes, and any Exclusive Common Areas.

1.14 "Common Expenses". The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including the maintenance of an adequate reserve fund as necessary to maintain the Common Areas and Areas of Common Responsibility pursuant to the Governing Documents, but such term shall not include any expenses incurred during the Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by a Majority of the Class "A" Members.

1.15 "Common Lake". Any naturally occurring or manmade body of water, as the same may exist from time to time, within the Affected Property, designated as such through a record plat,

Supplemental Declaration or other Recorded Instrument approved by the Declarant (during the Control Period) or by a Majority of the Members (after the Control Period).

1.16 "Community-Wide Standard". The standard of conduct, maintenance, or other activity generally prevailing throughout the Affected Property. Such standard may be more specifically determined by the Board or the ARB, as applicable.

1.17 "Control Period". The period of time (during which the Class "B" Member is entitled to exercise certain rights and controls, as more particularly set forth in this Declaration and in the By-Laws) commencing with the date hereof and continuing until the first to occur of the following: (i) when (A) all of the Expansion Area has been subjected to this Declaration and (B) all Units have certificates of occupancy issued therefor and have been conveyed to Persons other than Builders; or (ii) when, in its discretion, the Class "B" Member voluntarily relinquishes all of the rights and controls reserved to it during the Control Period through a Recorded Instrument.

1.18 "Covenant to Share Costs". Any agreement between the Association and an owner or operator of property adjacent to the Properties, including any Private Amenity, for the allocation of expenses that benefit both the Association and the owner or operator of such property.

1.19 "Declarant". Carrington Lakes, LLC, an Alabama limited company, or any successor, successor-in-title, or assignee who takes title to any portion of the Affected Property for the purpose of development and/or sale and who is designated as the Declarant in a Recorded Instrument executed by the immediately preceding Declarant; provided however, there shall be only one Person entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.20 "Expansion Area". The real property described on Exhibit "B" to this Declaration.

1.21 "Exclusive Common Area". Any particular portion of the Common Area intended for the exclusive use or primary benefit of one or more (but less than all) Villages or Units, as more particularly described in Article 2, including, without limitation, any Private Lake.

1.22 "First Subdivision". The real property described on Exhibit "A" to this Declaration.

1.23 "General Assessment". Assessments levied on all Units subject to assessment under Article 7 to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 7.1 and 7.2.

1.24 "Governing Documents". The Declaration, By-Laws, Articles and any Supplemental Declarations or rules of the Association, as each may be amended from time to time.

1.25 "Improvement". All structures and any appurtenances thereto of every type or kind including, but not limited to buildings, out buildings, garages, porches, sheds, swimming pools, patios, patio covers, awnings, painting or staining or any exterior surfaces of any visible structure, additions, walkways, bicycle trails, sprinkler systems or pipes, roads, curbing, paving,

driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar panels and equipment, exterior evaporative coolers, air conditioning and external water softener fixtures, windmills, and exterior antennae, aerials and other equipment for the reception or transmission of radio, television, microwave, internet or other communication systems. The term "Improvement" shall also include (i) any excavation, fill, ditch, diversion, dam, berm, or any thing or other device that alters the natural flow of any water in any natural or artificial drainage channel from, or upon, any other Unit and (ii) any change in the grade of any Unit of more than six inches from that existing at the time of purchase by its Owner.

1.26 "Lake Assessment". The assessments under Section 7.3 pertaining to Lakefront Lots and Lakefront Owners.

1.27 "Lakefront Lot". A Lot abutting any Private Lake.

1.28 "Lakefront Owner". The Owner of any Lakefront Lot.

1.29 "Majority". With respect to any group, Persons in such group entitled under the Governing Documents to vote more than 50% of the total Units collectively owned by such group.

1.30 "Member". A Person holding membership in the Association pursuant to Section 3.

1.31 "Mortgage". A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.32 "Mortgagee". A beneficiary or holder of a Mortgage.

1.33 "Outside Lots". Those particular individual subdivided lots, within the Pre-existing Subdivision, listed on Exhibit "C" attached hereto.

1.34 "Outside Resident". The fee simple title owner of an Outside Lot, who has elected to become a Member in accordance with Section 3.4.

1.35 "Owner". One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded land sales contract, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.36 "Person". A natural person, corporation, partnership, limited liability company, a fiduciary acting on behalf of another person, or any other legal entity.

1.37 "Pre-Existing Subdivision". The real property described as such on Exhibit "C" attached hereto.

1.38 "Private Amenity". Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, designated by the Declarant and which are owned and operated by Persons other than the Association for recreational or other purposes on a club membership, daily fee, use fee, public, or private basis or otherwise.

1.39 "Private Lake". Any naturally occurring or manmade body of water, as the same may exist from time to time, within the Affected Property, designated as such through a record plat, Supplemental Declaration or other Recorded Instrument approved by (i) all affected Lakefront Owners and (ii) approved by the Declarant (during the Control Period) or by a Majority of the Members (after the Control Period).

1.40 "Probate Office". The public records of the Probate Judge of Jefferson County, Alabama, or St. Clair County, Alabama, as applicable.

1.41 "Recorded Instrument". A written instrument, duly authorized and executed pursuant to any applicable provisions of the Governing Documents, and filed of record in the Probate Office.

1.42 "Related User". A Person who obtains all or certain rights of an Owner or Member by reason of such Person validly claiming or being entitled to such rights by, through or under such Owner or Member. Without limiting the generality of the foregoing, the term "Related User" shall include, without limitation, any occupant, tenant, family member or contract purchaser of an Owner or Member, and any natural person who is guest or invitee of such Owner, Member or of such Person.

1.43 "Special Assessment". Assessments levied in accordance with Section 7.4.

1.44 "Specific Assessment". Assessments levied in accordance with Section 7.5.

1.45 "Supplemental Declaration". An instrument filed in the Probate Office which subjects Additional Property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.46 "Swim and Tennis Facilities". One or more facilities consisting of a swimming pool and/or tennis courts and related improvements and facilities. There may be more than one Swim and Tennis Facility. Any Swim and Tennis Facility may be designated an Exclusive Common Area under Section 2.2.

1.47 "Unit". A portion of the Affected Property, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any Improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include any Common Area, common property owned by any Village Association, or property dedicated to the public.

In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to be a single Unit until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

1.48 "Village". A separately developed area within the Affected Property, whether or not governed by a Village Association, in which the Owners of Units may have common interests other than those common to all Members of the Association. For example, and by way of illustration and not limitation, a Swim and Tennis Facility may be an Exclusive Common Area for a group of Units designated a Village. Where the context permits or requires, the term Village shall also refer to the Village Committee, if any, (established in accordance with the By-Laws) or Village Association if any, having concurrent jurisdiction over the property within the Village. Village boundaries may be established and modified as provided in Section 3.3.

1.49 "Village Assessments". Assessments levied against the Units in a particular Village or Villages to fund Village Expenses, as described in Section 8.1 and 8.3.

1.50 "Village Association". Any condominium association or other owners association having concurrent jurisdiction with the Association over any Village.

1.51 "Village Expenses". The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a particular Village or Villages, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to such Village(s).

ARTICLE 2: PROPERTY RIGHTS

2.1 Common Area. Every Member shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to the title to each Unit, subject to:

- (a) This Declaration and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area including, without limitation, traffic rules and regulations, rules governing the use of Swim and Tennis Facilities and rules limiting the number of guests who may use the Common Area;

- (d) The right of the Board to suspend the right of a Member to use recreational facilities within the Common Area pursuant to Section 4.2;
- (e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in the Governing Documents;
- (f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area including without limitation Swim and Tennis Facilities;
- (g) The right of the Board and the Declarant to permit use of any facilities situated on the Common Area by Persons other than Owners, Members, their families, lessees and guests, upon payment of reasonable use fees, if any, established by the Board;
- (h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (i) The rights of certain Owners to the exclusive use of any portions of the Common Area designated "Exclusive Common Areas," pursuant to Section 2.2; and
- (j) The right of the Declarant to conduct activities within the Common Area, such as tournaments, charitable events, and promotional events, and to restrict Members from using the Common Area during such activities, provided such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area and shall never exceed seven (7) consecutive days.

Any Member may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2 Exclusive Common Area. Certain portions of the Common Area may be designated as Exclusive Common Areas and reserved for the exclusive use or primary benefit of Owners and occupants of specified Units or Villages. By way of illustration and not limitation, Exclusive Common Areas may include entry features, Swim and Tennis Facilities, Private Lakes, and other recreational facilities, landscaped medians and cul-de-sacs, ponds, lakes and other portions of the Common Area with a particular Village or Villages. All costs associated with maintenance, repair, replacement, and insurance of any Exclusive Common Area shall be assessed against the Owners of Units to which the Exclusive Common Areas are assigned, either as a Village Assessment or as a Specific Assessment, as applicable.

Any Exclusive Common Area may be designated as such by Declarant and the exclusive use thereof shall be assigned, in the deed by which the Common Area is conveyed to the Association

or on the subdivision plat relating to such Common Area; provided, however, that any such assignment shall not preclude the Declarant, during the Control Period, from later assigning use of the same Exclusive Common Area to additional Units and/or Villages. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of particular Units or a particular Village or Villages and any Exclusive Common Area may be reassigned, upon approval of the Board and the vote of a Majority of the total Class "A" votes in the Association, including, if applicable, a Majority of the Class "A" votes for the Units or the Village(s) to which the Exclusive Common Area is assigned, if previously assigned, and for the Units or Village(s) to which the Exclusive Common Area is to be assigned or reassigned.

The Association may, upon approval of a Majority of the Class "A" votes within the Villages or the board of directors of the Village Association for the Village(s) to which any Exclusive Common Area is assigned, permit Owners of Units in other Villages to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Village Expenses or Specific Assessments attributable to such Exclusive Common Area.

2.3 Assumption of Risk/Indemnity. Each Member shall assume all risk in connection with the use of Common Areas, and of any Private Amenities, by such Owner or Member, and by each Related User of such Owner or Member. Each Owner and Member shall indemnify and hold harmless the Association, the Board, the ARB, the Declarant, and their respective affiliates, successors and assigns, from and against any and all claims, damages, causes of action, loss, costs, expense, demands and other matters arising out of or connected in any way with any and all use of the Common Areas by such Owner or Member, and by each of the Related Users of such Owner or Member, including without limitation, claims for bodily injury, death and property damage.

ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2(c) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is not a natural person may be exercised by an officer, director, partner, trustee, or other individual designated from time to time by the Owner in a written instrument delivered to the secretary of the Association.

3.2 Voting. The Association shall have three classes of membership, Class "A" and Class "B", and Non-Voting.

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Except as provided in Section 3.4, Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.1; provided however, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt

from assessment under Section 7.11. Notwithstanding the above, the Owner of two contiguous Units on which one residential dwelling is constructed which crosses the boundary line separating Units, shall have only one vote for such Units. All Class "A" votes shall be cast as provided in Section 3.2(d) below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint a Majority of the members of the Board of Directors during the Control Period. After termination of the Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the By-Laws. The Class "B" membership shall terminate upon the earlier of:

- (i) two years after expiration of the Control Period; or
- (ii) when, in its discretion, the Declarant so determines and declares in a Recorded Instrument.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Units within any Additional Property made subject to this Declaration pursuant to Article 6, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(c) Non-Voting Members. Members who are not also Owners (such as owners of Outside Lots) shall be Non-Voting Members.

(d) Exercise of Voting Rights by Class "A" Members. If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Unit if any assessment for such Unit is delinquent.

3.3 Villages, Voting Delegates and Voting Groups.

(a) Villages. Every Unit shall be located within a Village; provided however, unless and until additional Villages are established, the Affected Property shall consist of one Village. The Declarant, in its sole discretion, may establish Villages within the Affected Property by a Supplemental Declaration or a plat. So long as it owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration from time to

time to assign property to a specific Village, to redesignate Village boundaries, or to remove property from a specific Village.

The Owner(s) of a Majority of the total number of Units within any Village may at any time petition the Board of Directors to divide the property comprising the Village into two or more Villages. Such petition shall be in writing and shall include a survey of the entire parcel which indicates the proposed boundaries of the new Villages or otherwise identifies the Units to be included within the proposed Villages. Such petition shall be deemed granted 30 days following the filing of all required documents with the Board unless the Board of Directors denies such application in writing within such 30 day period. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Villages. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

The Units within a particular Village may be subject to additional covenants and/or the Unit Owners may all be members of a Village Association in addition to the Association. However, a Village Association shall not be required, except in the case of a condominium or otherwise as required by law. Any Village which does not have a Village Association may, but shall not be obligated to, elect a Village Committee, as described in the By-Laws, to represent the interests of Owners of Units in such Village.

Any Village may request that the Association provide a higher level of service or special services for the benefit of Units in such Village and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Units within the Village, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Unit to all Villages receiving the same service), shall be assessed against the Units within such Village as Specific Assessments pursuant to Section 7.7 below.

(b) Voting Groups. The Declarant may designate Voting Groups consisting of one or more Villages for the purpose of electing directors to the Board. The designation of Voting Groups, if any, shall be to promote representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which Unit Owners in similar Villages are able, due to the number of in such Villages, to elect the entire Board of Directors, excluding representation of others. Following termination of the Control Period, the number of Voting Groups within the Properties shall not exceed the total number of directors to be elected by the Class "A" Members pursuant to the By-Laws. The Unit Owners in the Villages within any Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of directors specified in the By-Laws.

The Declarant shall establish Voting Groups, if at all, not later than the date of expiration of the Control Period by filing with the Association and in the Public Records a Supplemental Declaration identifying each Voting Group by legal description or other means such that the

Units within each Voting Group can easily be determined. Any such designation may be unilaterally amended from time to time by the Declarant during the Control Period.

After expiration of the Declarant's right to amend any designation of Voting Groups as provided above, the Board shall have the right to file or amend any Supplemental Declaration for the purpose of designating Voting Groups. Neither recordation nor amendment of such Supplemental Declaration shall constitute an amendment to this Declaration, and no consent or approval of any Person shall be required except as stated in this paragraph. Until such time as Voting Groups are established, all of the Properties shall constitute a single Voting Group. After a Supplemental Declaration establishing any Voting Groups has been filed, any and all portions of the Properties which are not assigned to a specific Voting Group shall constitute a single Voting Group.

3.4 Owners of the Outside Lots. Owners of the Outside Lots, and a limited number of additional Persons, may be granted membership in the Association, with access to and use of the Common Area, on such terms and conditions as the Board may establish from time to time, provided that any Member who is not also an Owner shall not have any voting rights, and such Members shall not be counted in determining a Majority, in determining a quorum for any meetings, or for any other purpose.

ARTICLE 4: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Functions of Association. The Association shall be (i) the entity responsible for management, maintenance, operation and control of the Common Area, including without limitation the Swim and Tennis Facilities, and Areas of Common Responsibility and all improvements thereon, (ii) the primary entity responsible for enforcement of this Declaration and any rules the Board may adopt pursuant to Section 9.2, and (iii) responsible for administering and enforcing the architectural standards and controls set forth in Article 8 of this Declaration. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Alabama.

4.2 Enforcement. The Board may impose sanctions for violation of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation, upon compliance with the notice and hearing procedures set forth in the By-Laws. Such sanctions may include, without limitation:

- (a) imposing reasonable monetary fines (which shall constitute a lien upon the Unit of the violator);
- (b) filing liens in the Probate Records for nonpayment of any assessments or fees;
- (c) filing notices of violations in the Probate Records providing record notice of any violation of the Governing Documents;
- (d) suspending a Member's right to vote;

(e) suspending any Person's right to use any recreational facilities within the Common Area, including without limitation Swim and Tennis Facilities, provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(f) suspending any services provided by the Association to a Member, Owner or the Owner's Unit, if the Member or Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association; and

(g) levying Specific Assessments to cover costs incurred in bringing a Unit into compliance in accordance with Section 7.7(b).

In addition, the Board may elect to enforce any provision of this Declaration, the By-Laws, any Supplemental Declaration, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and the removal of pets that are in violation of pet rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit local governments to enforce ordinances on the Affected Property for the benefit of the Association and its Members.

4.3 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.4 Governmental Interests. For so long as the Declarant owns any property which is subject to this Declaration, the Declarant may designate sites within the Properties for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. The

sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant or by the Association, provided the owner of such property consents.

4.5 Dedication of Common Area. The Association may dedicate portions of the Common Area to any other local, county, state or federal governmental or quasi-governmental entity.

4.6 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Affected Property designed to make the Affected Property safer than it otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Affected Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

4.7 Provision of Services. The Association may provide or contract for services and facilities for the Members and their guests, lessees and invitees. By way of example, some services and facilities which may be provided include landscape maintenance, Swim and Tennis Facilities operation and/or maintenance, pest control service, cable television service, internet, intranet and other computer related services, security, garbage collection, and similar services and facilities. The Board, without the consent of the Class "A" Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association. The Association shall be authorized to contract with Persons, including Declarant, for the provision of any such services and facilities.

ARTICLE 5: MAINTENANCE

5.1 Association's Responsibilities.

- (a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which shall include, but need not be limited to:
 - (i) the Common Area including without limitation the Swim and Tennis Facilities;
 - (ii) all landscaping and other flora, parks, lakes, ponds, structures, and improvements, including any entry features, sidewalks, bike and pedestrian pathways/trails, Private Lakes, Common Lakes, and any pool house and any other Improvement that is part of the Swim and Tennis Facilities, situated upon the Common Area;
 - (iii) all furnishings, equipment and other personal property of the Association;
 - (iv) any landscaping and other flora, parks, bike and pedestrian pathways/trails, sidewalks, structures and Improvements within public rights-of-way or public easements within or abutting

the Properties or upon such other public or privately owned land adjacent to the Properties as deemed necessary in the discretion of the Board and in accordance with all applicable laws;

(v) such portions of any additional property as may be dictated by any Covenant to Share Costs, or any contract or agreement for maintenance thereof entered into by the Association;

(vi) all ponds, lakes, streams and/or wetlands located within the Properties which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith unless such facilities are located within a Private Amenity and are maintained by the owner of the Private Amenity; and

(vii) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may, as a Common Expense, maintain other property which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the written consent of the Declarant, so long as the Declarant owns any property that is subject to this Declaration or that may be unilaterally subjected to this Declaration by the Declarant; provided, however, in no event shall the Area of Common Responsibility be reduced by amendment or otherwise to affect the maintenance obligations within the Area of Common Responsibility as required by law or ordinance.

(b) Except as otherwise specifically provided herein, all costs incurred by the Association in connection with its responsibilities under Paragraph 5.1 (a) shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from any Persons responsible for such costs at law, by contract, or otherwise. All costs associated with maintenance, repair and replacement of any Exclusive Common Areas shall be a Village Expense assessed as a Village Assessment solely against the Units within the Village(s) to which the Exclusive Common Areas are assigned or as a Specific Assessment, against the particular Units to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(c) The costs of services and facilities provided by the Association may be funded by the

Association as a Common Expense or may be levied as a Specific Assessment against those Unit(s) to which the service or facility is provided. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities including without limitation Swim and Tennis Facilities. As an alternative, the Association may arrange for the costs of the services and facilities to be billed directly to Owners by the providers of such services and facilities.

5.2 Owner's Responsibility. Each Owner shall maintain, repair and replace his or her Unit and all structures, parking areas, sprinkler and irrigation systems, landscaping and other flora and other Improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 7.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Village's Responsibility. Upon resolution of the Board of Directors, the Owners of Units within each Village shall be responsible for paying, through Village Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Village. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and green space between the Village and adjacent public roads, private streets within the Village, and lakes or ponds within the Village, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided however, all Villages which are similarly situated shall be treated the same. Any Village Association having responsibility for maintenance within a particular Village pursuant to additional covenants applicable to such Village shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such Village as provided in Section 7.7.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner, and/or Village Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this

Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 6: ANNEXATION AND WITHDRAWAL OF PROPERTY

6.1 Annexation Without Approval of Membership. Until 25 years after the recording of this Declaration in the Probate Records, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Expansion Area. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the Initial Property or of the Expansion Area and that such transfer is memorialized in a written, Recorded Instrument executed by Declarant. Such annexation shall be accomplished by filing a Supplemental Declaration in the Probate Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of the Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Expansion Area in any manner whatsoever.

6.2 Annexation With Approval of Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the written consent of the Declarant so long as Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant. Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

6.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration so

long as it has a right to annex Additional Property pursuant to Section 6.1, for the purpose of removing any portion of the Affected Property from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Affected Property. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall be required to consent to such withdrawal.

ARTICLE 7: ASSESSMENTS

7.1 Creation of Assessments. There are hereby created assessments for such Association expenses as the Board may specifically authorize from time to time. There shall be five types of assessments: (a) General Assessments to fund Common Expenses for the general benefits of all Units; (b) Village Assessments for Village Expenses benefitting only Units within a particular Village or Villages; (c) Lake Assessments, as described in Section 7.3; (d) Special Assessments as described in Section 7.6; and (e) Specific Assessments as described in Section 7.7.

All assessments and fees, together with interest, late charges, costs of collection, and reasonable attorneys fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 7.8. Each such assessment, together with interest, late charges, costs, and reasonable attorneys fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, or the Owner of the Outside Lot, or any other Member who is not also an Owner, with respect to any assessment or other charge which may be imposed on such Member pursuant to this Declaration, or pursuant to any terms or conditions imposed on such Member pursuant to Section 3.4. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the 15th day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

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

7.2 Computation of General Assessment. At least 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a contribution to establish or increase the Association's working capital and/or to establish a reserve fund in accordance with a budget separately prepared as provided in Section 7.4.

General Assessments shall be levied equally against all Units subject to assessment; provided however, that:

- (a) the Owner of two contiguous Units on which one residential dwelling is constructed which crosses the boundary line separating such Units, shall pay one General Assessment rate equal to one and one-half times the assessment for an individual Unit; and
- (b) each Unit shall be assessed at 50% of the General Assessment rate until the first day of the first month following (i) the issuance of a certificate of occupancy for the residential dwelling thereon or (ii) actual occupancy of the Unit, whichever is earlier.

Subject to Section 7.5 below, the assessment rate for General Assessments shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including working capital and reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Declarant may, but except as expressly provided in Section 7.5 below, shall not be obligated to, reduce or supplement the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as either a contribution, or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be conspicuously disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such

payments in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. The circumstances under which Member approval of the budget may be required, and the applicable procedures with respect thereto, are specified in the By-Laws.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to each Owner at least 30 days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the procedures specified in the By-Laws.

7.3 Lake Assessments. Each Lakefront Lot shall be subject to an annual Lakefront Assessment for purposes of funding the expense of operating and maintaining all of the Private Lakes within the Affected Property.

7.4 Reserve Budgets. The Board shall annually prepare reserve budgets for any capital assets owned or maintained by the Association. Such reserve budget shall take into account the number and nature of such assets, the expected life of each asset, the expected repair or replacement cost, and expenses associated with maintaining such assets.

7.5 Assessment Amounts and Limitations on Increases. Initially, the annual General Assessment shall be \$650 and the annual Lake Assessment shall be \$350. Commencing with the calendar month following the calendar month in which a certificate of occupancy is issued for the Clubhouse, the annual General Assessment shall be increased to \$1200. Except as provided in the preceding sentence, General Assessments and Lake Assessments shall not be increased by more than 10% during any 12 month period. If the limitation described in this Section 7.5 should prevent the Association from meeting its Common Expenses for any period, then the Developer shall supplement the General Assessment in the amount of the shortfall thereby created, which subsidy may be treated either as a contribution, or as a loan, as described in Section 7.2 hereinabove.

7.6 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted; provided, however, that no Special Assessment shall be authorized as a means of covering any shortfall in customary and recurring expenses which arises solely as a result of the limitations described in Section 7.5 hereinabove. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Village if such special assessment is for Village Expenses. Special Assessments shall be allocated equally among all Members subject to such Special Assessment. Any Special Assessment shall become effective unless disapproved pursuant to the applicable provisions of the By-Laws. Special Assessments shall be payable in such manner and at such

times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

7.7 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to Members, or to the Unit(s) or occupants thereof, upon request, pursuant to a menu of special services which the Board may from time to time authorize to be offered (which might include, without limitation, landscape maintenance, maintenance of irrigation systems, garbage collection services, janitorial service, pest control, internet, intranet and other computer related services, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred; and

(b) to cover costs incurred in bringing the Unit(s) into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of a Member, occupants of a Unit, their agents, contractors, employees, licensees, invitees, or guests; provided however, the Board shall give the Member prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against the Units within any Village to reimburse the Association for costs incurred in bringing the Village into compliance with the provisions of the Declaration, any applicable Supplement Declaration, the Articles, the By-Laws, and rules; provided however, the Board shall give prior written notice to the Owners of Units in the Village and an opportunity for such Owners to be heard before levying any such assessment.

7.8 Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments and fees, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of Alabama law), late charges in such amount as the Board may establish (subject to the limitations of Alabama law), costs of collection and reasonable attorneys fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association.

The Association may sue for unpaid assessments and other charges authorized hereunder without

foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage, if any, shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 7.9, including such acquirer, its successors and assigns.

7.9 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the month following the conveyance of the Unit to a Person other than the Declarant or a Builder. The first annual General Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

7.10 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments and Village Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

7.11 Exempt Property. The following property shall be exempt from payment of General Assessments, Village Assessments and Special Assessments:

- (a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;
- (b) Any property dedicated to and accepted by any governmental authority or public utility; and,
- (c) Property owned by any Village Association for the common use and enjoyment of its members, or owned by the members of a Village Association as tenants-in-common.

ARTICLE 8: ARCHITECTURAL STANDARDS

8.1 General Provisions.

(a) General Prohibition. No Improvements shall be placed, erected, or installed upon any Unit, or adjacent to any Unit where the purpose of the Improvement is to service such Unit, and no Improvements shall take place within the Affected Property except in compliance with this Article.

(b) Scope of Provisions. The provisions of this Article 8 shall apply to any proposed new Improvements, and also to any modifications, additions and/or alterations to any existing Improvements.

(c) Certain Exceptions. This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Association or to Improvements to any Private Amenity. This Section 8.1(c) may not be amended without the Declarant's written consent, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

(d) Separate Requirements. The provisions of this Article 8, and the application of any guidelines, procedures or rules adopted by the ARB hereunder, are in addition to any and all municipal, county and other governmental requirements. All standards and criteria are subject to current and future federal, state, county and city regulations, whichever are more restrictive. The provisions of this Article 8, and of any guidelines, procedures or rules adopted by the ARB hereunder, shall not be construed to impose requirements in violation of any applicable federal, state, county or city regulations.

8.2 Architectural Review Board. Responsibility for administration of design guidelines and review of all applications for construction and modifications under this Article shall be handled by the ARB. The ARB shall consist of at least three, but not more than five, Persons. The Members of the ARB need not be Members of the Association, or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals. Until 100% of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the ARB who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

8.3 Specific Guidelines and Procedures.

(a) General Statement. Guidelines and procedures for the submittal to and approval of materials by the ARB shall be governed by the provisions of this Declaration, and such additional guidelines, procedures and rules as the ARB may establish from time to time. The ARB has been established to promote quality development and benefit private landowners within the Affected Property. The ARB will act in an advisory capacity to assist with information concerning its procedures, to answer questions regarding its standards and requirements, and to review and respond to planning and design information received concerning proposed Improvements. The ARB process is in addition to the approval requirements of the appropriate city or county agencies and other governmental authorities.

(b) Particular Procedures. Subject to future amendment in accordance with Section 8.3(d) below, the guidelines and procedures of the ARB shall include the following:

(i) The design review process shall generally consist of four phases: (A) a pre-design briefing, involving the applicant, its architect or other consultants and the ARB, which will provide an opportunity for an informal exchange of information and ideas, a general review of the ARB's planning, engineering, design and development criteria, and a discussion on major ideas, elements and site development program requirements to establish the general compatibility of the proposal with the ARB's standards; (B) the initial design review, in which the applicant will submit its proposal to the ARB in sufficient detail to clearly communicate all major elements of design, including layout, elevations and finish materials, all of which shall be subject to the ARB's written approval before proceeding to the next stage; (C) construction documents review, involving the delivery to the ARB of plans and specifications prepared by an architect, landscape architect, professional engineer or land surveyor (as appropriate) registered under Alabama law, bearing the signature, seal and certificate of such professionals, for final written approval from the ARB prior to construction, including written certification by the applicant's design team that the proposed Improvements comply with the Governing Documents and the ARB's design guidelines, and with a separate statement detailing any deviations in the construction plans from the initial design review; and (D) construction notification and review, requiring that the applicant give the ARB at least 72 hours advance written notice prior to commencement of construction on the site, and afford the ARB and the Declarant the continuing option to inspect construction during development as necessary. In the case of modifications, additions or alterations to existing approved Improvements, the ARB at its discretion may waive either or both of the pre-design briefing and initial design review stages, and proceed directly to construction documents review on submissions of a minor nature.

(ii) A nonrefundable review fee of \$250 will be required with each application. If any special conditions exists which require additional time or professional assistance in the review and approval process, the ARB may impose a reasonable additional charge.

(iii) Criteria of importance to the ARB include the need to preserve the architectural and aesthetic appearance and natural setting and beauty of Carrington Lakes, to establish and preserve a harmonious design, and to protect and promote the value of the property.

(iv) Each residence must contain at least the minimum climate controlled area indicated as follows: (A) 2,000 square feet for a one-level home (B) 2,400 square feet for a "story and one-half" level home and (C) 2,600 square feet for a 2-story home.

(v) Any person submitting plans to the ARB shall be responsible for verifying the accuracy of all components of the submission, including site dimensions, grades, elevations, utility locations and other pertinent features.

(vi) Any submittal which contains a variance between the applicant's design and provisions of the Governing Documents and ARB guidelines, procedures and rules must include specific identification of the variance request and the reasons therefore. It is the applicant's responsibility to notify the ARB of any such proposed variances, and approval of construction documents by the ARB does not constitute approval of any variance unless that variance has been specifically identified and requested in writing by the applicant and specifically approved in writing by the

ARB.

(vii) Final action on an application will normally take place within 30 days from the receipt of the application. In the event the ARB fails to approve in writing any proposed plans and specifications within 45 days after submittal, the plans and specifications will be deemed to have been disapproved.

(viii) Plans submitted to the ARB for review must comply with all applicable building codes, zoning regulations and requirements of all agencies having jurisdiction. It is the responsibility of the applicant to obtain all necessary permits. It is not the responsibility of the ARB to review submissions to determine whether they comply with applicable government restrictions. The applicant must insure such compliance. Regulatory approvals do not preclude the authority and responsibility of the ARB for design review, and vice versa.

(ix) Once final approval is granted by the ARB, it shall remain in force for a period of 12 months. If during this period the site has not been cleared and graded, with footings poured and framing and other related construction work having commenced, then final plans must be resubmitted to the ARB for review and approval.

(x) Any amendments to the ARB's guidelines, procedures and rules shall be prospective only, and shall not be applied to require modification to or removal of any Improvements which have actually commenced pursuant to an approval previously issued by the ARB.

(c) Exemptions and Variances. The ARB by resolution may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution. The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARB from denying a variance in other circumstances. The inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

(d) Amendments and Modifications. The ARB shall have the sole and full authority to amend and modify its guidelines, procedures and rules from time to time, subject only to the limitations imposed in Section 8.3(b)(x) hereinabove. Otherwise, there shall be no limitation on the scope of such amendments by the ARB, and the ARB is expressly authorized to amend its guidelines, procedures and rules from time to time to remove requirements previously imposed or to otherwise make its guidelines less restrictive.

8.4 Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the ARB nor the Declarant shall bear any responsibility for ensuring the structural integrity or soundness of approved construction

or modifications, nor for ensuring compliance with building codes and other governmental requirements. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters, the committees and their members shall be defended and indemnified by the Association.

8.5 Enforcement. Any Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the ARB, Owners shall, at their own cost and expense, remove such Improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, any authorized agent of the ARB or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the nonconforming Unit and collected as a Specific Assessment. In addition, the ARB or the Board shall have the right to exercise any means of enforcement otherwise set forth in this Declaration. Unless otherwise specified in writing by the ARB, all ARB approvals shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

Neither the ARB, any ARB member, nor the Association, the Declarant, or their officers or directors, shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the ARB from the Affected Property, subject to the notice and hearing procedures contained in the By-Laws.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB.

ARTICLE 9: USE RESTRICTIONS

9.1 General. This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, an information center and/or a sales office for any real estate broker retained by the Declarant, offices for any property manager retained by the Association, or business offices for the Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

9.2 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Properties. Such rules shall be distributed to all Owners and occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Members, and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

9.3 Residential Use. All Units shall be used exclusively for residential purposes of a single family. No business, trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted upon a Unit without the prior written consent of the Board. An Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program.

9.4 Signs. No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the ARB or as may otherwise be permitted under the Design Guidelines.

9.5 Vehicles.

(a) Automobiles and non-commercial trucks and vans shall be parked only in the garages or in the driveways, if any, serving the Units unless otherwise approved by the ARB; provided however, the Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. No automobile or non-commercial truck or van

may be left upon any portion of the Properties, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle shall be considered a nuisance and may be removed from the Properties. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles authorized by the Board.

(b) Recreational vehicles shall be parked only in the garages, if any, serving the Units or other hard-surfaced areas which are not visible from the street or Private Amenities. "Visibility" shall be determined by the ARB in its sole discretion. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, boats, trailers, other towed vehicles, motorcycles, minibikes, scooters, go-carts, golf carts, campers, buses, commercial trucks and vans. Any recreational vehicle parked or stored in violation of this provision in excess of two days shall be considered a nuisance and may be removed from the Properties.

(c) Motorized vehicles shall not be permitted on any bike or pedestrian pathway/trail located within the Properties.

(d) All vehicles shall be subject to such reasonable rules and regulations as the Board may from time to time determine.

9.6 Leasing. Units may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, Design Guidelines, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board.

9.7 Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned. Fines may be levied against Owners or occupants. If a fine is first levied against an occupant and is not paid timely, the fine may then be levied against the Owner.

9.8 Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Unit, with the exception of dogs, cats, or other usual and common household pets not to exceed 2 pets per Unit, as determined by the Board. All pets shall be reasonably controlled by the owner whenever outside a Unit and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions. Pets shall not be permitted in Swim and Tennis Facilities, on any golf course, in any lake, or within any Private Amenity except in compliance with conditions established by the owner of such Private Amenity. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive of wildlife, they shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3.

9.9 Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Affected Property, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Affected Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Affected Property. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by the ARB, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

9.10 Exterior Structures. No exterior Improvements of any kind nor any artificial vegetation or sculpture shall be constructed, erected or placed on the outside portion of the Unit, whether such portion is improved or unimproved, except in strict compliance with Article 8 and the Design Guidelines. This shall include without limitation, mailboxes; basketball hoops; swing sets and similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; wells; window air-conditioning units; hot tubs; antennas; satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; and hedges, walls, dog runs, animal pens, or fences of any kind.

9.11 Streams. No streams which run across any Unit may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board, except that the Declarant shall have such rights as provided in Article 10.

9.12 Prohibited Conditions. The following conditions, Improvements and activities are prohibited within the Affected Property unless prior approval in writing is obtained from the ARB by the Owner or occupant:

(a) Tree Removal. No trees that are more than 6 inches in diameter at a point 2 feet above the ground shall be removed without the prior written consent of the ARB; provided however, any trees, regardless of their diameter, that are located within 10 feet of a drainage area, a septic field, a sidewalk, a residence, or a driveway, or any diseased or dead trees that need to be removed to promote the growth of other trees or for safety reasons;

(b) Lighting. Exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Unit; (ii) one (1) approved decorative post light; (iii) pathway lighting; (iv) street lights in conformity with an established street lighting program for the Properties; (v) seasonal decorative lights during the usual and common season; or (vi) front house illumination of model homes; and

(c) Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

(d) Fences. No fences shall be constructed or installed on the front yard of a Unit and no fences except wood or vinyl fences of a design and quality approved by the ARB may be constructed or installed anywhere else on a Unit.

9.13 Drainage and Grading. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

No Person shall alter the grading of any Unit without prior approval pursuant to the Design Guidelines. The Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage water levels and water flow.

9.14 Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped so as to permit safe sight across such areas.

9.15 Storage of Materials, Garbage, Dumping, Etc. All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. The Association may designate central garbage collection areas within the Properties. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake within the Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff. Owners and occupants may bury biodegradable trash, leaves, debris or other materials in accordance with rules established by the Board.

No lumber, metals, bulk materials, refuse, trash or other similar materials shall be kept, stored, or allowed to accumulate outside the buildings on any Unit, except during the initial construction period of the improvements to the Unit. In addition, during construction the building materials on any Unit shall be placed and kept in an orderly fashion. Any Unit on which construction is in progress shall be policed prior to each weekend and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed.

9.16 Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed after a subdivision plat including such Unit has been approved and filed in the Public Records. Declarant, however, hereby expressly reserves the right to replat any Unit or Units which it or any Builder owns, with the written prior consent of the owner of the Unit or Units affected. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations, if any.

9.17 Guns. The discharge of firearms on the Affected Property is prohibited. The term

"firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board shall have no obligation to take action to prevent or stop such discharge.

9.18 Combustible Liquid. There shall be no storage of gasoline, heating or other fuels, except for a reasonable amount of fuel that may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

9.19 Occupancy of Unfinished Units. No dwelling erected upon any Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed. For the purposes of this Section, commencement of construction shall mean that (a) all plans for such construction have been approved by the ARB; (b) a building permit has been issued for the Unit by the appropriate jurisdiction; and (c) construction of a residential dwelling on the Unit has physically commenced beyond site preparation. Completion of a dwelling shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

9.20 Temporary Structures. Except as may be permitted by the Declarant during initial construction, or the ARB thereafter, no temporary house, dwelling, garage or out building shall be placed or erected on any Unit. No mobile home, trailer home, travel trailer, camper or vehicle commonly known as a "recreational vehicle" shall be stored, parked or otherwise allowed to be placed on a Unit as a temporary or permanent dwelling.

9.21 Lakes and Other Water Bodies. All Private Lakes, Common Lakes, and other lakes, ponds, and streams within the Affected Property, if any, shall be used only in accordance with such rules and regulations as may be adopted and published by the Board. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Affected Property.

9.22 Wetlands. Any areas designated on a recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by all appropriate regulatory bodies. If approved, the Association may maintain boardwalks, fishing docks, and crab docks over, around and in such wetlands. Notwithstanding anything contained in this paragraph, the Declarant, the Association, the successors, assigns, affiliates and designees of each may conduct such activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands.

9.23 Standard Mailboxes. All dwellings within the Affected Property shall have standard mailboxes conforming to postal regulations and the guidelines for such mailboxes adopted by the ARB. The ARB may adopt different standard mailboxes for each Village.

ARTICLE 10: EASEMENTS

10.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of

encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units, between each Unit and any adjacent Common Area, and between each Unit and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

10.2 Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Association, and the designees of each (which may include, without limitation, any or governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements over, and under all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant specifically grants to the local water supplier, electric company, telephone company, and natural gas supplier easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable; and hereby grants to the City of Fultondale the right of ingress and egress across the Properties for police and fire protection and other public health and safety purposes as may be necessary.

(b) There is hereby reserved to the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of the Initial Property and the Expansion Property.

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit, and except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Affected Property, or at any other time, (i) to release all or any portion of the Affected Property from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

10.3 Easement for Slope Control, Drainage and Waterway Maintenance. The Declarant, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Unit for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Affected Property.

10.4 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Expansion Property whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefitting from such easement is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property.

10.5 Easement for Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Affected Property, including each Unit, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents, employees and managers of the Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance

personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the risk of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Any entry by the Association or its authorized agents, employees or managers of the Association, any member of its Board or committees, or its officers onto a Unit for the purposes specified herein shall not constitute a trespass.

10.6 Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Affected Property, including each Unit to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with this Declaration, any Supplemental Declaration, By-Laws, Design Guidelines and rules. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association also may enter a Unit to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition that violates the Declaration, any Supplemental Declaration, the By-Laws, the Design Guidelines, or the rules. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

10.7 Easements for Lake and Pond Maintenance and Flood Water. The Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation of any of the Area of Common Responsibility or any Private Amenity; (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Declarant's rights and easements provided in this Section shall automatically be transferred to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any lake, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein for the benefit of Declarant, the Association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 50 feet of lake beds, ponds, streams and wetlands in order to (a) temporarily flood and

back water upon and maintain water over such portions of the Affected Property; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; and (d) enter upon and across such portions of the Affected Property for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Affected Property, or at any other time, (a) to release all or any portion of the Affected Property from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (b) to define the limits of any such easements.

10.8 Lateral Support. Every portion of the Common Area, every Unit, and any improvement which contributes to the lateral support of another portion of the Common Area or of another Unit shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

10.9 Easements for Private Amenities.

(a) The owner of any Private Amenity within or adjacent to any portion of the Affected Property, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of its Private Amenity.

(b) There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Affected Property reasonably necessary to travel between the entrance to the Affected Property and the Private Amenities and over those portions of the Affected Property (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities.

(c) Any portion of the Affected Property immediately adjacent to any Private Amenities are hereby burdened with a non-exclusive easement in favor of the adjacent Private Amenities for overspray of water from the irrigation system serving the Private Amenities. Under no circumstances shall the Association or the owner(s) of the Private Amenities be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) Each Owner of a Unit adjacent to the Private Amenities hereby acknowledges the nature of the easements contained in this Section and any nuisances incidental thereto.

10.10 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, its successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Affected Property, except in cases of willful or wanton misconduct.

10.11 Easement for Special Events. Declarant hereby reserves for itself, its successors, assigns and designees a perpetual, non-exclusive easement over the Common Area for the purpose of conducting educational, cultural, entertainment, or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

10.12 Rights to Stormwater Runoff, Effluent and Water Reclamation.

Declarant hereby reserves for itself and its designees, including but not limited to the owner of any Private Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Affected Property, and each Owner agrees, by acceptance of a deed to a Unit, that Declarant shall retain all such rights. Such right shall include an easement over the Affected Property for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.

10.13 Easement for Greenbelt Maintenance.

(a) The Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon greenbelts, buffer zones and non-disturbance areas, if any, located within the Area of Common Responsibility to remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in this Declaration. The Declarant's rights and easements provided in this Section shall be transferred to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of greenbelt, buffer zone or nondisturbance area to the extent reasonably necessary to exercise their rights under this Section.

(b) Encroachment of structures into, over, or across greenbelts, buffer zones and non-disturbance areas, if any, shown on any recorded subdivision plat of the Affected Property is strictly prohibited. Landscaping in these areas is subject to removal in the reasonable discretion of Declarant in the ordinary course of maintenance of these areas. Any landscaping permitted shall be installed in conformance with Article 8 herein. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional

exercise of such easements.

(c) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Affected Property, or at any other time, (i) to release all or any portion of the Affected Property from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

ARTICLE 11: MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

11.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Affected Property or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant that is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action that would require the consent of a specified percentage of Eligible Holders.

11.2 Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven (67 %) of the first Mortgagees or Members representing at least sixty-seven (67 %) of the total Association vote consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (neither the conveyance of property in accordance with Section 4.2 nor the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall be deemed a transfer within the meaning of this paragraph);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision by the Board, entry into a covenant to share costs, or provisions of a declaration subsequently recorded regarding Specific Assessments for Exclusive Common Area shall not be subject to this provision);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Area (the issuance and amendment of Design Guidelines, architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain any insurance that is required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

11.3 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

11.4 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

11.5 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Association to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

11.6 Construction of Article 11. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Alabama law for any of the acts set out in this Article.

ARTICLE 12: DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to the Association or to other Persons, provided

that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Affected Property such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Affected Property without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines made after termination of the Control Period shall be effective without prior notice to and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) 25 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE 13: PRIVATE AMENITIES

13.1 General. Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity. Rights to use any Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. The owners of any Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

13.2 Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; or (c) the conveyance of any Private Amenity to one or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Village Association or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

13.3 Rights of Access and Parking. There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Affected Property reasonably necessary to travel between the entrance to the Properties and the Private Amenities and over those portions of the Affected Property (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Affected Property at reasonable times before, during, and after tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenity has insufficient parking to accommodate such vehicles.

13.4 View Impairment. Neither the Declarant, the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across any Private Amenity, the Common Area or any public facilities from Units will be preserved without impairment. The owners of such property, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Private Amenities, the Common Area or the public facilities from time to time.

13.5 Covenant to Share Costs. The Association may enter into a contractual arrangement or Covenant to Share Costs with any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Area maintenance.

13.6 Use Restrictions. Upon request of the owner of any Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or occupant violating such

regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

13.7 Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenity, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the owner(s) of the Private Amenity. The foregoing shall not apply, however, to amendments made by the Declarant.

13.8 Jurisdiction and Cooperation. It is Declarant's intention that the Association and owners or operators of any Private Amenities shall cooperate to the maximum extent possible in the operation of the Affected Property and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to promulgate use restrictions or rules affecting activities on or use of any Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

ARTICLE 14: GENERAL PROVISIONS

14.1 Duration. Unless otherwise limited by Alabama law, this Declaration shall have perpetual duration. If Alabama law hereafter limits the period during which covenants may run with the land, then, unless terminated as provided herein or, if such termination method is not consistent with Alabama law, in such other manner as required by Alabama law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

14.2 Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, so long as the Declarant owns property which is subject to this Declaration or which may be unilaterally subjected to the Declaration by the Declarant, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of 67 % of the total Class "A" votes in the Association, including 67% of the Class "A" votes held by Members other than the Declarant, and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

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

14.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

14.4 Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner and Member covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Affected Property, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Articles through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

14.5 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of 75 % of the Class "A"

Members. This Section shall not, however, prevent the Board without Member approval, from commencing or prosecuting (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 7; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

14.6 Non-Merger. Notwithstanding the fact that Declarant is the current owner of the Properties, it is the express intention of Declarant that the easements established in the Declaration for the benefit of the Properties and Owners shall not merge into the fee simple estate of individual lots conveyed by Declarant or its successor, but that the estates of the Declarant and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

14.7 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Affected Property. The grants of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in this Declaration.

14.8 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations applicable to any Village, and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Village; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and use restrictions and rules of the Association shall prevail over those of any Village. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Affected Property from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

14.9 Compliance. Every Owner and occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

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14.10 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

14.11 Exhibits. The Exhibits attached to this Declaration is incorporated by this reference and amendment of such Exhibits shall be governed by the provisions of Section 14.2.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 27th day of September, 2001.

CARRINGTON LAKES, LLC,
an Alabama limited liability company

By: Jack A. Harris

Name: JACK A. HARRIS

Title: MEMBER/MANAGER

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

SS

I, a Notary Public in and for said County, in said State, hereby certify that Jack A. Harris, whose name as a manager of Carrington Lakes, LLC, an Alabama limited liability company, is signed the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in such capacity, and with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this 27th day of September, 2001.

Joyce H. Lynn
Notary Public

My Commission Expires: 10-24-04

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St. Clair County, Alabama
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Tran: 3414.86375.131185
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CER Certification Fee 1.00
PJF Special Index Fee 5.50
REC Recording Fee 144.00
Total Fees: \$ 150.50