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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GLENNSHIRE TOWNHOMES

Upon recording, please return to:

BC Stone Homes, LLC
687 N Dean Rd
Suite 200
Auburn, AL 36830

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Exhibit

Subject Matter

“A”

Land Initially Submitted

“B”

State Specific Addendum

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

GLENNSHIRE TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GLENNSHIRE TOWNHOMES (the "Declaration") is made as of the 25th day of April, 2023, by BC STONE HOMES, LLC, an Alabama limited liability company (the "Declarant").

Declarant is the owner of the real property described on Exhibit "A," which is attached and incorporated by reference. This Declaration imposes upon the Community mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Community and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Community. In furtherance of such plan, this Declaration provides for the creation of Glennshire Townhomes Homeowners Association, Inc. to own, operate and maintain Common Elements and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines (capitalized terms are defined in Article ARTICLE 1: below).

Declarant hereby declares that all of the property described on Exhibit "A" and any Additional Property subjected to this Declaration by Amendment to Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Community, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Community.

ARTICLE 1: DEFINITIONS

The terms in this Declaration and in 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". All of real property which is subject to annexation to the terms of this Declaration in accordance with Article Seven.

1.2 "Amendment to Declaration". An instrument filed in the Public Records 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

1.3 "Articles of Incorporation" or "Articles". The Articles of Incorporation of Glennshire Townhomes Homeowners Association, Inc. as filed with the Secretary of State of the Governing Jurisdiction, as they may be amended.

1.4 "Association". Glennshire Townhomes Homeowners Association, Inc., an Alabama nonprofit corporation, its successors and assigns.

1.5 "Board of Directors" or "Board". The body responsible for administration of the Association, selected as provided in the By-Laws and serving as the board of directors under the corporate law of the Governing Jurisdiction.

1.6 "Builder". Any Person who purchases one (1) or more Units for the purpose of constructing improvements thereon for later sale to consumers or who purchases one (1) or more parcels of land within the Community for further subdivision, development, and/or resale in the ordinary course of such Person's 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 occupancy 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.

1.7 "By-Laws". The By-Laws of Glennshire Townhomes Homeowners Association, Inc., as they may be amended from time to time.

1.8 "Common Area". The Common Elements, together with any additional areas for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Amendment to Declaration, any Cost Sharing Agreement, or other applicable covenant, contract, or agreement.

1.9 "Common Elements". All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use, benefit, and enjoyment of the Owners.

1.10 "Common Expenses". The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.11 "Community". The real property described on **Exhibit "A"** as such exhibit may be amended or supplemented from time to time to reflect any additions or removal of property in accordance with Article 7.

1.12 "Community-Wide Standard". The standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors.

1.13 "Cost Sharing Agreement". Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of, or within the Community for the allocation of expenses for amenities and/or services that benefit both the Association and the owner or operator of such property.

1.14 "Days". Calendar days; provided however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regular business day.

1.15 "Declarant". BC Stone Homes, LLC, an Alabama limited liability company, or any successor, successor-in-title, or assign who holds or takes title to any portion of the property described on **Exhibit "A"** or the Additional 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 (1) Person entitled to exercise the rights and powers of the Declarant hereunder at any time.

1.16 "Design Guidelines". If established by the Declarant or Association as provided herein, the design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Community promulgated and administered pursuant to.

1.17 “Detention Facility”: Any area within the Community serving as a detention structure or facility, including but not limited to berms, swales or any facility designated as a “detention pond” or a “proposed detention facility” on a recorded plat of all or any portion of the Community.

1.18 “Development Period”. The period of time beginning on the date of recording of this Declaration and ending on the date which is twenty (20) years after the date of recording this Declaration. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument in the Public Records.

1.19 “Development Plan”. The land use plan or development plan for Glennshire Townhomes, as such plan may be amended from time to time by Declarant, which plan includes the property described on **Exhibit “A”** and any Additional Property that Declarant may from time to time subject to this Declaration. Inclusion of property on the Development Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration.

1.20 “General Assessment”. Assessments levied on all Units subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 8.1 and 8.2.

1.21 “Governing Documents”. The Declaration, By-Laws, Articles of Incorporation, all Amendment to Declarations, all Design Guidelines, the rules of the Association, all Cost Sharing Agreements, and all additional covenants governing any portion of the Community or any of the above, as each may be supplemented and amended from time to time.

1.22 “Governing Jurisdiction”. The municipality, county and state in which the real property described on **Exhibit “A”** is located.

1.23 “Limited Common Elements”. All Common Elements serving a single Unit or a certain number of Units to the exclusion of other Units, as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful occupants of such Unit or Units either in this Declaration, on the Development Plan, or by later decision of all of the Unit Owners.

1.24 “Majority”. Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.25 “Member”. A Person subject to membership in the Association pursuant to Section 3.1.

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

1.27 “Mortgagee”. A beneficiary or holder of a Mortgage.

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

1.29 “Private Elements”. The area upon which a Unit is located as shown on the Development Plan as being the Private Element designated for each unit depicted thereon for which fee simple ownership and exclusive use is reserved to that Unit only.

1.30 “Public Records”. The appropriate recording office or such other place which is designated under the laws of the Governing Jurisdiction as the official location for recording of deeds and similar documents affecting title to real estate.

1.31 “Special Assessment”. Assessments levied in accordance with Section 8.3.

1.32 “Specific Assessment”. Assessments levied in accordance with Section 8.4.

1.33 “Unit”. Each lot and freestanding improvement thereon as shown on the Site Plan, which separate buildings are not owned in common with other Unit Owners. Each Unit is numbered as shown on the Site Plan, and the boundaries of each Unit shall be and are the exterior surfaces of its perimeter. Any Unit may be jointly or commonly owned by more than one Person.

1.34 “Unit Owner” or “Owner”. The Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and such Unit’s Private Element, and of the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

1.35 “Unit Shell” or “Unit Shells”. The exterior portions of all dwellings located on Units in the Community and as determined by the Board in its sole discretion..

ARTICLE 2: PROPERTY RIGHTS

2.1 Common Elements. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Elements, which is appurtenant to and shall pass with the title to each Unit, subject to.

- (a) This Declaration and all other Governing Documents;
- (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 Elements, including, without limitation, rules limiting the number of guests who may use the Common Elements;
- (d) The right of the Association to rent, lease or reserve any portion of the Common Elements to any Owner for the exclusive use of such Owner and his or her respective lessees, invitees, and guests upon such conditions as may be established by the Board;
- (e) The right of the Board to suspend the right of an Owner to use any recreational and social facilities within the Common Elements pursuant to Section 4.3;
- (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 Elements;
- (g) The right of the Board to permit use of any facilities situated on the Common Elements by persons other than Owners, 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 right of the Association, acting through the Board, to dedicate or transfer all or any portion of the Common Elements, subject to any approval requirements set forth in the Governing Documents; and
- (j) The right of the Declarant to conduct activities and establish facilities within the Community as provided in Article 12.

Any Owner 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; provided however, the Owner shall remain responsible for payment of all assessments and other charges.

The Association shall not materially interfere with access of any Owner to the Common Elements by agreeing to rent or otherwise make such Common Elements available for the exclusive use of any Person.

Each Owner may not place any personal property or material on the Common Elements without the written consent of the Board.

In addition, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone or with adjoining Units.

2.2 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Elements. No Person shall seek any judicial partition unless the portion of the Common Elements which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of other real property which may or may not be subject to this Declaration.

2.3 Condemnation. The Association shall be the sole representative with respect to condemnation proceedings concerning Common Elements and shall act as attorney-in-fact for all Owners in such matters. Whenever any part of the Common Elements shall be taken by or conveyed under threat of condemnation to any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance. The Board may convey Common Elements under threat of condemnation only if approved by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and, during the Development Period, the written consent of the Declarant. The award made for such taking or proceeds of such conveyance shall be payable to the Association.

If the taking or conveyance involves a portion of the Common Elements on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Elements to the extent available, unless within sixty (60) Days after such taking Members holding at least sixty-seven percent (67%) of the total Class "A" vote of the Association and, during the Development Period, the Declarant shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Elements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds may be used by the Association for such purposes as the Board shall determine.

2.4 View Impairment. Neither the Declarant nor the Association guarantees or represents that any view from Units over and across the Common Elements will be preserved without impairment. The Association shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole

discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Common Elements from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view of a Common Elements which the Unit may enjoy as of the date of the purchase of the Unit may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Common Elements.

ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. There shall be only one (1) membership per Unit. If a Unit is owned by more than one (1) 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. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner, or by any individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.

3.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. All Class "A" Members must be Owners. Each Class "A" Member shall have one (1) equal vote for each Unit in which he or she holds the interest required for membership under Section 3.1; provided however, there shall be only one (1) vote per Unit and no Class "A" vote shall be exercised for any property which is exempt from assessment under Section 8.8. All Class "A" votes shall be cast as provided in Section 3.1(c) 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 all of the members of the Board of Directors, who need not be Owners. Declarant shall remain the Class "B" Member for so long as debts are payable to Declarant or its owners, affiliates, or subsidiaries in connection with the development of the Community. After such debts are paid in full, then Declarant shall remain the Class "B" Member until the first to occur of the following:

- (i) when one hundred percent (100%) of the total number of Units permitted by the Development Plan, as amended, for the property described on Exhibit "A" and any Additional Property have certificates of occupancy issued thereon and have been conveyed to Persons other than Declarant;
- (ii) twenty (20) years after the date of this Declaration; or
- (iii) when, in its discretion, the Class "B" Member so determines and voluntarily relinquishes such right.

At such time, the Class "B" membership shall terminate, and the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns, if any. After termination of the Class "B" membership, the Declarant shall have a right to disapprove actions of the Board and committees as provided in the Declaration.

(c) Exercise of Voting Rights. If there is more than one (1) 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 (1) Person seeks to exercise it.

ARTICLE 4: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Community as the Board may adopt pursuant to ARTICLE 9:. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the Governing Jurisdiction.

4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in **Exhibit "A"** or the Additional Property, personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Declarant shall not be required to make any improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section including, without limitation, dredging or otherwise removing silt from any pond or other body of water that may be conveyed. Upon written request of Declarant, the Association shall re-convey to Declarant any unimproved portions of the Community originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines, provided that the re-conveyance has no material adverse effect upon the rights of the Owners.

The Association agrees that the Common Elements, including all improvements thereon, shall be conveyed in its "where is, as is" condition and without recourse, and Declarant disclaims and makes no representations, warranties or other agreements express or implied with respect thereto, including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the conditions, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to utilization or the future economic performance or operations of the Common Elements. No claim shall be made by the Association or any Owner relating to the condition, operation, or completeness of the Common Elements or for incidental or consequential damages arising therefrom. Declarant will transfer and assign to the Association, without recourse, all warranties which it receives from manufacturers and suppliers relating to any of the Common Elements which exist and are assignable.

4.3 Enforcement. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.24 of the By-Laws. Such sanctions may include, without limitation.

- (a) imposing monetary fines which shall constitute a lien upon the Unit of the violator;
- (b) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;
- (c) suspending an Owner's right to vote;

(d) suspending any Person's right to use any recreational facilities within the Common Elements or Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit; and

(e) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association.

In the event that any occupant, guest or invitee of a Unit violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction such occupant, guest or invitee and/or the Owner of the Unit that the violator is occupying or visiting. If a fine is imposed, the fine may first be assessed against the occupant; provided however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of assessments and other charges, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy Specific Assessments to cover all costs incurred in bringing a Unit into compliance with the terms of the Governing Documents.

The Association may also elect to enforce any provisions of the Governing Documents 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 or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, reasonable attorneys fees and court costs, 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 prevent the Association from enforcing any other covenant, restriction or rule.

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

4.4 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.

4.5 Indemnification. The Association shall indemnify every officer, director, and committee member against all damages, liabilities, and expenses, including reasonable attorneys fees, incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer,

director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation and the laws of the Governing Jurisdiction.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors, or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment or action, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.6 Dedication of or Grant of Easements on Common Elements. The Association may dedicate or grant easements across portions of the Common Elements to any local, state, or federal governmental or quasi-governmental entity, or to any private utility company.

4.7 Security. Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Community. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than they 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 Community, 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. No representation or warranty is made that the lighting facilities or systems (including the placement thereof) will adequately illuminate or attempt to adequately illuminate all of the Common Elements, or that such facilities or systems will be designed with safety measures in mind. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each Person using the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

4.8 Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Association shall be funded by the Association as a Common Expense. In addition, the Board shall be authorized to charge use and consumption fees for services and facilities through Specific Assessments or by requiring payment at the time the service or facility is provided. As an alternative, the Association may arrange for the costs of the services and facilities to be billed directly to Owners by the provider(s) of such services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, intranet, and other computer related services, security, caretaker, fire protection, utilities, 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.

4.9 Rezoning. No Owner or any other Person may apply or join in an application to amend, vary or modify the applicable zoning ordinance or apply for any zoning variance or waiver as to all or any portion of the Community without the prior written consent of Declarant or, if the Class "B" membership has terminated, Board approval.

ARTICLE 5: MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Common Area, which shall include, but need not be limited to.

(i) all Unit Shells as provided in Section 5.2 herein;

(ii) all Common Elements, including without limitation, open space, landscaping and amenity area established by recorded plat of the Community or otherwise found within the Community;

(iii) all driveways, access easements, and exterior pavings;

(iv) all landscaping and other flora, parks, structures, and improvements, including any entry features, sidewalks, situated upon the Common Elements;

(v) all furnishings, equipment and other personal property of the Association;

(vi) any landscaping and other flora, parks, sidewalks, buffers, entry features, structures and improvements within public or private rights-of-way within or abutting the Community or upon such other public land adjacent to the Community as deemed necessary in the discretion of the Board, which specifically includes, without limitation, rights-of-way benefitting fewer than all Owners;

(vii) such additional portions of any property included within the Common Area as may be dictated by this Declaration, any Amendment to Declaration, any Cost Sharing Agreement, or any contract or agreement for maintenance thereof entered into by the Association; and

(viii) all ponds, streams and/or creeks located within the Community which serve as part of the drainage and storm water retention system for the Community, 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.

The Association may, as a Common Expense, maintain other property and improvements 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.

(b) The Association shall maintain all front, rear, and side (if applicable) yards of each Unit. Such maintenance shall be limited to cutting the grass of the yards and maintenance of the mulched bed areas (originally installed or thereafter installed by the Association) and any plants within said mulched bed areas. Such maintenance may, in the sole discretion of the Board, also consist of weed control and fertilization of the yards and landscape beds. In the case that a Unit Owner has enclosed the rear yard with fencing does not fall on the perimeter of the development, such fencing must be approved by the Board pursuant to Section 9.16 and include a locked gate of at least six (6) feet in width, which shall be accessible by the

Board or its agents through a common key. As the Board in its sole discretion deems necessary for reasonable access to each Unit's yard, a locked gate of at least six (6) feet in width, accessible by the Board or its agents through a common key, shall also be installed on every shared fence line between Units and every shared fence line with a Common Area. For each instance that a Unit Owner fails to provide the needed access as described in this Section and in Section 10.5 below, a fine of One Hundred and 00/100 Dollars (\$100.00) shall be assessed on the Unit pursuant to Article 8.

(c) The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members holding sixty-seven percent (67%) of the Class "A" votes in the Association and, during the Development Period, the Declarant agree in writing to discontinue such operation.

(d) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or (ii) such property is dedicated to any local, state, or federal government or quasi-governmental entity; provided however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as provided above, the Common Area shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the written consent of the Declarant.

(e) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Common Area 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 the owner(s) of, or other Persons responsible for, certain portions of the Common Area pursuant to the Governing Documents, any recorded covenants, or any agreements with the owner(s) thereof.

(f) In the event that the Association fails to properly perform its maintenance responsibilities hereunder and to comply with the Community-Wide Standard, the Declarant may at any time, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

5.2 Unit Shell Maintenance. As provided in Section 5.1 hereof, the Association shall maintain and keep in good repair the Unit Shells, the exterior portions of all dwellings located on Units in the Community. Unit Shell Maintenance by the Association shall be limited to the following: (i) exterior surfaces of garage doors (the owner shall be responsible for the operation of the garage doors and all related equipment); (ii) the roof decking and shingles or other covering and surface materials on Units; (iii) downspouts and gutters; (iv) painting and/or pressure washing the exterior building surfaces of a residential dwelling located on a Unit, with the exception of doors, hardware and glass as more particularly described below; (v) painting and/or staining and/or sealing any deck or balcony which is attached to a residential dwelling on a Unit; and (vi) conducting an annual termite inspection of the buildings. The Association shall not be responsible for waterproofing foundations either above or below grade.

The Board of Directors may promulgate rules setting forth the extent of maintenance to be performed by the Association and may assume additional maintenance as long as all Units are maintained according to the same standard. The Board of Directors may authorize the officers of the Association to

enter into contracts with any Person or Persons to perform maintenance hereunder on behalf of the Association.

In the event any personal property of an Owner, including, but not limited to, any satellite dish, grill or patio furniture, is stored, placed or affixed to a deck, patio, balcony, the exterior of a residential dwelling, or such other areas the Association is responsible for maintaining pursuant to this Article 5, the Association shall have the right, but not the obligation, in the Board's sole discretion, to remove and/or reinstall, as the case may be, such personal property in order to perform its maintenance responsibilities hereunder, and any costs associated with the removal and reinstallation of such property may be assessed against the Unit of such Owner or Occupant as a specific assessment. Additionally, in the event the Association incurs additional maintenance costs because an Owner's or Occupant's personal property is stored, placed or affixed to any area the Association is obligated to maintain, the Association shall have the right to specifically assess such additional maintenance costs against the Unit of such Owner or Occupant. In the event any personal property is damaged or destroyed when any maintenance, repair or replacement is performed, the Association, and the officers, directors, agents or employees thereof, shall not be liable for such damage or destruction.

5.3 Owner's Responsibility. Each Owner shall maintain his or her Unit and share of any party wall in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. 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 8.5(a). The Association shall afford the Owner not less than twenty-four (24) hours prior notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Entry under this Section shall not constitute a trespass. To the extent not covered by the Association's insurance, the expenses for the maintenance, repair or replacement of Limited Common Elements shall be borne by the Owner(s) of the Unit(s) to which such Limited Common Elements are appurtenant and at the discretion of the Association, maintenance of, repairs to and replacements within the other Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby, and, further, at the discretion of the Association, the Association may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Association such lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Unit from all mechanics' or materialmen's lien claims that may arise therefrom.

5.4 Party Walls. Each wall or fence whether built as part of the original construction of a residential dwelling located on a Unit which shall serve and separate any two (2) adjoining Units or the residential dwellings located thereon shall constitute a party wall or fence and, 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 negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions. If a party wall or fence is destroyed or damaged by fire or other casualty, then any Owner who has benefited from the wall or fence may restore it, and the other Owner who is benefited by the wall or fence shall contribute one-half of the cost of restoration, without prejudice, however, to the right of any Owner to call for a larger contribution from any other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

All such repair or rebuilding shall be done within a reasonable period of time, and in such workmanlike manner with materials comparable to those used in the original wall, and shall conform in all

respects to the laws or ordinances regulating the construction of buildings in force at the time of such repair or reconstruction. Whenever any such wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original wall.

5.5 Utility Lines. The Unit shall not be deemed to include pipes, wires, conduits, or other public or private utility lines running through the respective Units which are utilized for or serve more than one Unit, which items are hereby made a part of the Common Elements of the Community.

5.6 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 Governing Documents. Neither the Association nor any Owner shall be liable for any damage or injury occurring on or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.7 Cost Sharing Agreements. Adjacent to or in the vicinity of the Community, there may be certain residential, nonresidential or recreational areas, including without limitation single family residential developments, retail, commercial, or business areas, which are not subject to this Declaration and which are neither Units nor Common Elements as defined in this Declaration (hereinafter "**adjacent properties**"). The owners of such adjacent properties shall not be Members of the Association, shall not be entitled to vote, and shall not be subject to assessment under ARTICLE 8: of this Declaration.

The Association may enter into one (1) or more Cost Sharing Agreements with the owners or operators of all or portions of the adjacent properties:

- (a) to obligate the owners or operators of such adjacent properties to perform and/or to share in certain costs associated with, the maintenance, repair, replacement and insuring of portions of the Common Area, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the owners within the Community;
- (b) to permit use of any recreational and other facilities located on the Common Elements by the owners or operators of such adjacent properties;
- (c) to permit use of any recreational and other facilities located on such adjacent properties by the Owners of all Units;
- (d) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such adjacent properties, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the owners within the Community; and/or
- (e) to establish rules and regulations regarding the use of areas that benefits jointly the owners or operators of such adjacent properties and the owners within the Community.

The owners or operators of such adjacent properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such adjacent properties, such payments by the Association shall be deemed to constitute Common Expenses of the Association unless the Cost Sharing Agreement provides otherwise. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

ARTICLE 6: INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available.

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Elements, if any, and on other portions of the Common Area to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on all public ways located within the Community and on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth (1/6th) of the annual General Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance.

In the event that any portion of the Common Elements is improved with buildings in an area identified by the Federal Emergency Management Agency ("FEMA") as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Elements must be maintained in the amount of one hundred percent (100%) of current "replacement cost" of all effected improvements and other insurable property or the maximum limit of coverage available, whichever is less.

Premiums for all insurance on the Common Area shall be Common Expenses and shall be included in the General Assessment. In the event of an insured loss, the deductible shall be treated as a Common Expense and assessed in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-

Laws, that the loss resulted from the negligence or willful misconduct of one (1) or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.4.

(b) Policy Requirements. The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in the Atlanta metropolitan area.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a).

(i) All insurance coverage obtained by the Board shall.

(1) be written with a company authorized to do business in the Governing Jurisdiction, which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(2) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Elements shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners of Units within the Community and their Mortgagees, as their interests may appear;

(3) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(4) contain an inflation guard endorsement;

(5) include an agreed amount endorsement, if the policy contains a co-insurance clause; and

(6) an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

(ii) In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide.

(1) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and manager, the Owners and their tenants, servants, agents, and guests;

(2) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(3) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one (1) or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(4) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(5) a cross liability provision; and

(6) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. In the event of any insured loss covered by insurance held by the Association, only the Board or its duly authorized agent may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition existing prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Elements or Limited Common Elements shall be repaired or reconstructed unless the Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant decide within sixty (60) Days after the loss either (i) not to repair or reconstruct or (ii) to construct alternative improvements.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Elements shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Community, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner thereof pursuant to Section 8.4.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures or landscaping on or comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure or landscaping consistent with the original construction or such other plans and specifications as are approved by the Board. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Elements, neither the Association, its Board of Directors, its successors or assigns, nor any

officer or director or committee member, employee, agent, contractor (including the management company, if any) of any of them shall be liable to any Member or any member of a Member's immediate household for any injury or damage sustained in the Common Area, the Common Elements or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Members or their family members, guests, invitees, agents, servants, contractors or lessees, whether such loss occurs in the Common Elements or in individual Units.

Each Owner, by virtue of the acceptance of title to his or her Unit, and each other Person having an interest in or right to use any portion of the Community, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

ARTICLE 7: ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Annexation by Declarant. Until the expiration of the Development Period, Declarant may from time to time unilaterally subject Additional Property to the provisions of this Declaration. 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 real property described in **Exhibit "A"** or the Additional Property and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing an Amendment to Declaration in the Public Records describing the property being annexed. Such Amendment to Declaration shall not require the consent of the Members, but shall require the consent of the owner of the annexed property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Amendment to Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any Additional Property in any manner whatsoever.

7.2 Annexation by 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 Members holding a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and, during the Development Period, the written consent of the Declarant.

Such annexation shall be accomplished by filing a Amendment to Declaration describing the property being annexed in the Public Records. Any such Amendment to Declaration shall be signed by the president and the secretary of the Association, and by the owner of the property being annexed, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period for the purpose of removing any portion of the Community from the coverage of this Declaration that has not been platted into residential Units. Such amendment shall not require the consent of any Person other than the owner of the property to be withdrawn, if not the Declarant.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Community to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association. Such additional covenants and easements shall be set forth in a Amendment to Declaration filed either concurrently with or after the annexation of the subject property, and shall require

the written consent of the owner(s) of such property, if other than the Declarant. Any such Amendment to Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property for such purposes as deemed appropriate in the Declarant's sole discretion, including but not limited to modifications to reflect the different character and intended use of such property.

7.5 Amendment. This Article shall not be amended during the Development Period without the prior written consent of Declarant.

ARTICLE 8: ASSESSMENTS

8.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three (3) types of assessments. (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Special Assessments as described in Section 8.3; and (c) Specific Assessments as described in Section 8.4. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Community, is deemed to covenant and agree to pay these assessments.

All assessments and other charges, 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 or charge is made until paid, as more particularly provided in Section 8.6. Each such assessment or charge, 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. 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 or designee 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 (2) 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 or her 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 fifteenth (15th) day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Elements, abandonment of his or her 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 taken by the Association or Board.

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.

8.2 Computation of General Assessments. At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, which may include a contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.3. For so long as the Class "B" membership exists, Common Expenses shall not include any expenses incurred for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Member holding a Majority of the total Class "A" votes of the Association.

Except as specifically provided in this Declaration, General Assessments shall be levied equally against all Units subject to assessment.

The assessment rate 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 any reserves. In determining the level of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost Sharing Agreement.

During the Development Period, the Declarant may, but shall not be obligated to, reduce 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 an advance against future sums due from the Declarant, or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be 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 a fiscal year (which fiscal year is run on a calendar year basis) by January 30 of each such fiscal year, which General Assessment shall be payable by each Owner not later than March 31 of each fiscal year. Such budget and assessment shall become effective at the beginning of such fiscal year, unless disapproved by the Declarant during the Development Period. If the proposed budget is disapproved as provided in the preceding sentence 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. In such event or if the budget proves inadequate for any reason, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.3 Reserve Budget. The Board may, in its sole discretion, annually prepare reserve budgets which take into account the number and nature of replaceable assets within the Common Area, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the general budgets reserve amounts sufficient to meet the projected needs of the Association.

8.4 Special Assessments. In addition to other authorized assessments, the Association may, as determined by the Board, levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all Units, if such Special Assessment is for Common Expenses. Special Assessments shall be allocated equally among

all Units subject to such Special Assessment. Any Special Assessment which would cause the total of Special Assessments levied in one fiscal year to exceed two hundred and fifty dollars (\$250.00) per Unit shall require the approval of Members holding at least sixty-seven percent (67%) of the total Class "A" votes and, during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within twenty (20) Days after the date of the notice of such Special Assessment. All other Special Assessments shall become effective upon approval by the Board. Special Assessments shall be payable in such manner and at such times as determined by the Board but in all events not later than ninety (90) days after the date of the Special Assessments, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved or in a lump sum, as determined by the Board.

8.5 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 the Unit(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, garbage collection, pest control service, cable, digital, satellite or similar television service, internet, and other computer related services, security, caretaker, utilities, and similar services and facilities), 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 by the Owner; and
- (b) to cover all costs incurred in bringing the Unit(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests.

In addition, fines levied by the Association pursuant to Section 4.3 shall constitute Specific Assessments.

8.6 Lien for Assessments. The Association shall have a lien against each Unit to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of the law of the Governing Jurisdiction), late charges in such amount as the Board may establish (subject to the limitations of the Governing Jurisdiction), 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 may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Declarant or 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 allocated to the Unit owned 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. 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 remain the personal obligation of the owner of the Unit

prior to the foreclosure, and, unless and until collected from such prior owner, shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.7, including such acquirer, its successors and assigns.

All other Persons acquiring liens or encumbrances on any Unit after this Declaration has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

8.7 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the date which the Unit is conveyed to a Person other than the Declarant or the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. During the Development Period, Declarant shall have the right to exempt any person or entity from the assessments provided in this Declaration.

8.8 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 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.

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

- (a) All Common Elements and such portions of the property owned by the Declarant as are included in the pursuant to Section 5.1;
- (b) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility; and
- (c) Any property that is owned by a charitable nonprofit corporation or public agency whose primary purposes include the acquisition and preservation of open space for public benefit and held by such agency or organization for such recreational and open space purposes.

8.10 Contributions by Declarant. In accordance with Section 8.2, the Declarant may support the Association by funding operating deficits during the Development Period. At the sole election of Declarant, Declarant may recoup from the Association all such payments, which amounts may be paid from the operating account of the Association, or from the working capital contributions collected at the sale of Units, but not from capital reserves. Regardless of whether the Declarant recoups any other deficit amounts, it is not the intention of the Declarant to forfeit refundable reserves or deposits paid by Declarant, nor to pay for deficits created by the nonpayment of assessments by other Owners. It is also not the intention of Declarant to pay for expenses which are otherwise covered in the annual budget of the Association, but which, due to the requirement of an advance payment, create temporary or seasonal deficits. Accordingly, Declarant shall be reimbursed for all amounts paid by Declarant in the funding of deficits caused by the nonpayment of assessments by Owners which, if not sooner paid, shall be paid to Declarant at the time the unpaid assessment is collected. In addition, if not sooner paid, Declarant shall be reimbursed for any refundable deposit upon the Association's receipt of the same.

All deficits shall be collectible by Declarant at any time from the working capital contributions or from excess funds not designated for capital reserves. The Declarant shall have the right to pursue the

collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. The Board of Directors, specifically including members of the Board appointed by the Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to evidence the repayment obligation of the Association; provided however, the failure to execute such a note shall in no way diminish such obligation.

ARTICLE 9: USE RESTRICTIONS AND PROHIBITED ACTIVITIES

9.1 General. This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices for Declarant and/or Builders, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibit "A" or the Additional Property, offices for any property manager retained by the Association, business offices for the Declarant or the Association and related parking facilities) consistent with this Declaration and any Amendment to Declaration. During the Development Period, any sales center or model home must be approved in writing by the Declarant. In no event shall the Association or the Board be liable for damage to an Owner's Unit that is in violation of this Section.

9.2 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board or the Declarant during the Development Period may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Community, including exempting certain Units or Owners from the restrictions in the event of a finding of undue hardship. 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 Members holding a Majority of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant.

9.3 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.

9.4 Leasing. Units may be leased for residential purposes only. In no event shall a Unit be occupied by more than a number of occupants that equals the number of bedrooms in the Unit plus one additional occupant. Additionally, a Unit may only be leased as a whole and no per-room leasing or sub-leasing shall be allowed. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant (without releasing the Owner) to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board.

9.5 Residential Use. Units may be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office use shall be considered ancillary so long as. (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the activity conforms to all zoning requirements for the Community; (c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other invitees or door-to-door solicitation of residents of the Community; (d) the activity does not increase traffic or include frequent deliveries within the Community; (e) the activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board; and (f) the activity does not utilize the garage of the home for storage.

No other business, trade, or similar activity shall be conducted upon a Unit without the prior written consent 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 Section. This Section 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 Community or its use of any Units which it owns within the Community, including the operation of a timeshare or similar program.

9.6 Occupancy of Unfinished Dwellings. 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.

9.7 Signs. No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the appropriate reviewing body, except (1) such signs as may be required by legal proceedings; (2) not more than one (1) professional security sign of such size deemed reasonable by the Board in its sole discretion; (3) not more than one (1) "For Sale" sign not to exceed two feet (2') by two feet (2') on any Unit being offered for sale; (4) one (1) political campaign sign not to exceed two feet (2') by two feet (2') for such time periods as established by the Board; and (5) such additional signs as may be permitted the Board. Unless in compliance with this Section, no other signs shall be posted or erected by any Owner or occupant within any portion of the Community, including the Common Elements, any structure or dwelling located on the Common Elements or any Unit (if such sign would be visible from the exterior of such structure or dwelling as determined in the reviewing body's sole discretion).

The Declarant and the Board reserve the right to prohibit signs and to restrict the size, content, color, lettering, design and placement of any approved signs. All permitted signs must be professionally prepared. This provision shall not apply to entry, directional, or other signs installed by the Declarant or its duly authorized agent as may be necessary or convenient for the marketing and development of the Community. "For Rent" or "For Lease" or similar signs are not allowed within the neighborhood.

9.8 Tree Removal. No trees of any height may be removed or replaced without prior written consent of the Board.

9.9 Lighting. Exterior lighting visible from the street shall not be permitted without prior written consent of the Board.

9.10 Temporary or Detached Structures. No temporary house, dwelling, garage or outbuilding shall be placed or erected on any Unit without prior written consent of the Board.

9.11 Accessory Structures. No detached accessory structures may be placed on a Unit to be used for a garage, playhouse, swimming pool, tennis court, tool shed, dog house, garage or other use without prior written consent of the Board.

9.12 Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of Declarant.

9.13 Windows. All exterior windows (and their window frames) are hereby declared to be a part of the Unit to which they are appurtenant; provided, however, that any maintenance of exterior windows, as well as repair of broken glass or window frames from time to time, may be performed by the Association in a uniform and attractive manner, at the sole expense of the Unit Owner, which expense the Unit Owner shall pay promptly to the Association upon receipt of a statement for any such repairs

9.14 Window Treatments. Window treatments shall be limited to blinds, plantation shutters, or curtains. Under no circumstances shall sheets, towels, reflective foil be allowed for window treatments (even for a temporary basis).

9.15 Satellite Dishes and Antennas. No outside radio, television, ham broadcasting, or other electronic antenna, aerial or tower or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be erected or maintained on any Unit, except as may be required by applicable federal law or as may be approved in writing by the Board.

9.16 Fences. Fences are to be constructed only in accordance with specifications and standards established by the Board. A Unit Owner, at his or her sole expense, may enclose his or her rear yard but only after first submitting the plans and specifications to the Board and receiving written approval from the Board for the proposed fencing. Said fencing of the rear yard must include a gate of at least six (6) feet in width and include a lock with a common key shared with the Board and its agents unless the rear line of the fence falls on the perimeter of the development. As the Board in its sole discretion deems necessary for reasonable access to each Unit's yard, a locked gate of at least six (6) feet in width, accessible by the Board or its agents through a common key, shall also be installed on every shared fence line between Units and every shared fence line with a Common Area. A Unit Owner who blocks access to the gate or fails to provide access through a common key with the Board and its agents shall be fined One Hundred and 00/100 Dollars (\$100.00) per occurrence.

9.17 Landscaping/Hardscaping. No rocks, rock gardens, bird baths, ponds or pools, lawn sculptures, artificial plantings, children's play equipment, lawn furnishings, or the like, shall be permitted without prior written consent of the Board. No vegetable, herb or similar gardens shall be planted or maintained so as to be visible from the street or readily visible by adjacent property owners.

9.18 Basketball Goals. Basketball goals may not be attached to any structure. Portable basketball goals are not allowed.

9.19 Flags and Flag Poles. - Free-standing flag poles are not allowed. An Owner may only mount a decorative or seasonal flag to his or her own Unit, and the height of such flags shall not be higher than the roof line of the building the Unit is located in. With the exception of the American flag, which may be flown year-round, all other flags may be flown no longer than seasonally. The Board reserves the right to disapprove any mounted flag in the Board's sole and absolute discretion.

9.20 Floor Drilling. In connection with the design and construction of each Unit and the Unit, each Unit Owner, by acceptance of a deed conveying title to a Unit in the Unit, shall be deemed to have agreed as follows. No modification, decoration or customization of the Unit by the Unit Owner shall involve any core drilling or penetration of the floor of the Unit or on any fire-separation walls or party walls between Units, nor any alteration of the Common Elements of the Community, unless expressly authorized, in writing, in the manner provided in this Declaration.

9.21 Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces or areas designated by the Board. No more than two (2) vehicles of less than or equal to one (1) ton classification may be parked in a driveway, except for temporary guest parking. The

parking of any vehicle in the yard of any Unit is strictly prohibited. Vehicles shall be subject to such reasonable rules and regulations as the Board may adopt. Service and delivery vehicles may be parked in the Community (but not within any Common Elements) during daylight hours for such periods of time as are reasonably necessary to provide service or to make a delivery to a Unit or the Common Elements. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with the Governing Documents.

9.22 Storage of Boats, Trailers and Other Vehicles. No automobiles or other vehicles will be stored on any Unit or Common Elements or kept on blocks unless in the garage of a dwelling. Boats, utility trailers, recreational vehicles, ATV's, UTV's, travel trailers, or any item deemed to be a recreational item in the sole discretion of the Board must either be stored in the garage of a dwelling. No tractor trailer trucks, panel vans or other commercial trucks in excess of one (1) ton classification shall be parked or stored on any Unit or Common Elements, unless stored in the garage of a dwelling.

9.23 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept, parked or stored on any part of the Common Elements without the prior written consent of the Association. With the prior written approval of the Board of Directors, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their guests, occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

9.24 Animals and Pets. No animals, livestock, or poultry (except no more than 2 laying hens on each Unit) of any kind shall be raised, bred or kept on any Unit, except that dogs, cats, and other normal and common household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, and provided that no more than two (2) may be kept at any household and they are kept under reasonable conditions so as not to create a nuisance, not to otherwise unreasonably disturb the neighbors or the neighborhood and in compliance with all laws, rules, regulations and ordinances relating thereto.

9.25 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 Community 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, in the sole discretion of the Board, 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 Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. 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 Community. 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 Board, shall be located, installed or maintained upon the exterior of any Unit unless required by law. Any siren or device for security purposes shall contain a device or system which causes it to shut off automatically.

The reasonable and normal development, construction and sales activities conducted or permitted by the Declarant shall not be considered a nuisance or a disturbance of the quiet enjoyment of any Owner or occupant.

9.26 Storage of Materials, Garbage, Dumping, Etc. All garbage cans shall be located at the rear of or inside of a home and screened as approved by the Board or in a designated area set by the Board so as to be concealed from view of neighboring streets and property. Garbage cans are only allowed to be placed at the street 24 hours prior to pickup and must be removed within 24 hours after pickup. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Trash, garbage, or other waste shall not be kept except in sanitary containers. 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 pond, drainage ditch or stream within the Community, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff.

No compost bins or above-ground storage tanks are permitted. Notwithstanding the forgoing, if the Community is served by a dumpster or dumpster system, no exterior garbage cans shall be allowed,

9.27 Combustible Liquid. There shall be no storage of gasoline, propane, heating or other fuels. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

9.28 Guns. The discharge of firearms on the Community is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop any such discharge.

9.29 Outside Burning. There shall be no outside burning of wood, leaves, or trash.

9.30 Vehicle Maintenance and Repair. No maintenance or repairs shall be performed on any vehicle on any portion of the Units except in an emergency situation or except in a garage. Notwithstanding the foregoing, all repairs to disabled vehicles within the Units must be completed within four (4) hours from the time of its immobilization or the vehicle must be removed. Vehicles parked on any Unit must have a current tag. The Association shall be allowed to maintain and store it maintenance vehicles, if applicable, as necessary for the operation and maintenance of the Common Elements or Common Area.

9.31 Pipes. No water pipes, gas pipes, sewer pipes, or drainage pipes may be installed or maintained on a Unit so as to be visible from adjoining property or public view, except hoses and movable pipes used for temporary irrigation purposes.

9.32 Clotheslines. No clotheslines may be installed or maintained on a Unit. No clothing or any other household fabrics shall be hung in the open on any Unit.

9.33 Mining. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Unit.

9.34 Machinery. No machinery shall be place on or operated upon any portion of a Unit except such machinery as is normal and usual in the maintenance of a private residence.

9.35 Drainage and Grading.

- (a) Catch basins and drainage areas are for the purpose of natural flow of water only. No improvements, 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.
- (b) The Association shall be responsible for maintaining all drainage areas located on the Units.
- (c) The Association shall be responsible for controlling the natural and man-made water flow from the Units. No Owner shall be entitled to overburden the drainage areas or drainage system within any portion of the Community with excessive water flow from its Unit. Owners shall be responsible for all remedial acts necessary to cure any unreasonable drainage flows from Units. Neither the Association nor the Declarant bears any responsibility for remedial actions to any Unit.
- (d) Use of any areas designated as "drainage easement areas" on any recorded subdivision plat of the Community, shall be subject to strict prohibitions against encroachment of structures into, over or across the drainage easement areas, and the right of the Declarant to enter upon and maintain the drainage easement areas. Such maintenance activities may include disturbance of landscaping pursuant to the terms contained in any declaration of easements.
- (e) No Person shall alter the grading of any Unit. The Declarant hereby reserves for itself and the Association a perpetual easement across the Community for the purpose of altering drainage and water flow. The exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.
- (f) All Persons shall comply with any and all applicable erosion control ordinances and regulations in construction of improvements on any Unit and in conducting any activity within non-disturbance buffer zones.
- (g) All Persons shall comply with any and all applicable state or county ground disturbance laws.

9.36 Streams. No streams which run across any parcel with a Unit on it may be dammed, or the water therefrom impounded, diverted, or used for any purpose, except that the Declarant shall have such rights as provided in Article 10.

Developer and any Unit or other portion of the Community owned by Developer shall be exempt from the covenants and requirements of this Article 3.

ARTICLE 10: EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, the Association, the Members, the Owners, and their successors-in-title, all of which shall be freely assignable by Declarant, in whole or in part.

10.1 Easements of Encroachment. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units and between each Unit and any adjacent Common Elements, 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 (3) 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) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements, for itself, for the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Community (but not through a structure, existing or proposed) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable, digital or similar 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, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewer, telephone, gas, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Community, as necessary, to exercise the easements described above. The easements reserved to Declarant include the right to use such easements for the benefit of adjoining real property not subject to this Declaration.

Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, natural gas supplier, internet service provider or cable service provider the easements set forth herein across the Community for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) Declarant reserves, creates, establishes, promulgates and declares for itself during the Development Period and its designees non-exclusive, perpetual, reciprocal, appurtenant easements, and 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 any property described on Exhibit "A" or the Additional 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 Community, or at any other time, (i) to release all or any portion of the Community 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. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements, for itself, and the Association, and their respective representatives, successors and assigns, contractors and agents, 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 Community;

- (c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit or Common Elements;
- (d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Community; 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 Community.

10.4 Easements to Serve Additional Property. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for itself and its duly authorized successors and assigns, including without limitation, successors-in-title, agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Elements for the purposes of enjoyment, use, access, and development of the Additional 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 Elements for construction of roads, for the posting of signs, and for connecting and installing utilities serving the Additional Property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Elements as a result of vehicular traffic connected with development of the Additional Property.

10.5 Easement for Entry.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Unit for emergency, security, and safety reasons. Such right may be exercised by any member of the Board, the Association's officers, committee members, agents, employees and managers of the Association, 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 the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the possibility 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. Entry under this Section shall not constitute a trespass.

(b) Declarant hereby reserves for itself and grants to the Association, to the relatives or descendants of any deceased person in any cemetery or burial ground that is located within the boundary of the Community, and to any persons seeking access to any cemetery or burial ground for academic or historical purposes, a nonexclusive, perpetual easement of ingress and egress over such portions of the Common Elements as are necessary for such access.

10.6 Easements for Maintenance and Enforcement.

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the Association to enter all portions of the Community, including each Unit but excluding the interior of any residential dwelling, to (i) perform its maintenance responsibilities under ARTICLE 5; and (ii) make inspections to ensure compliance with the Governing Documents. 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.

(b) The Association may also enter a Unit, excluding the interior of any residential dwelling, to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

(c) Entry under this Section shall not constitute a trespass, and prior notice to the Owner shall not be required except as provided in Section 5.1(f).

10.7 Lateral Support. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements over every portion of the Common Elements, every Unit, and any improvement which contributes to the lateral support of another portion of the Common Elements, of another Unit, 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.

10.8 Easement for Special Events. Declarant reserves, creates, establishes, promulgates and declares for itself, its successors, assigns and designees a perpetual, non-exclusive appurtenant easement over the Common Elements for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional 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.

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

ARTICLE 11: MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Community. 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 Community 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 sixty (60) Days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or occupant which is not cured within sixty (60) Days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders pursuant to FHA, VA, HUD, FNMA or Freddie Mac requirements.

11.2 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 Elements.

11.3 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.

11.4 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board 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 thirty (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.

11.5 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 the laws of the Governing Jurisdiction for any of the acts set out in this Article.

ARTICLE 12: DECLARANT'S RIGHTS

12.1 Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Governing Documents may be transferred or assigned 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. Upon any such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. 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.

12.2 Development and Sales. The Declarant and Builders authorized by Declarant may maintain and carry on the Community such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Community and/or the construction or sale of Units, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Elements during such activities. 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 Elements. In the event that any such activity necessitates exclusion of Owners from Common Elements, such activities shall not exceed seven (7) consecutive Days. The Declarant and authorized Builders shall have easements over the Community for access, ingress and conducting such activities.

In addition, the Declarant and Builders authorized by Declarant may establish within the Community, including any clubhouse, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Community and/or the construction or sale of Units, including, but not limited to, business offices, signs, model units, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use

of all or a portion of such facilities in the Declarant's sole discretion. The Declarant and authorized Builders shall have easements over the Community for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Elements by Persons other than Owners without the payment of any use fees.

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

12.4 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Community 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. No such instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Articles.

12.5 Right of the Declarant to Disapprove Actions. Until two (2) years following the termination of the Class "B" membership, the Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of the Community, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to the Declarant in the Governing Documents.

(a) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Declarant has registered with the secretary of the Association, which notice complies with the By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting. The Declarant may waive its right to receive notice in the same manner as provided in the By-Laws.

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

(c) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) The Declarant, acting through any authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to

block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

12.6 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. 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) the expiration of the Development Period, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE 13: GENERAL PROVISIONS

13.1 Duration.

(a) Unless terminated as provided in Section 13.1(a), the provisions of this Declaration shall run with, bind the Community and remain in effect for a period of twenty (20) years after the date recorded and, thereafter, shall be automatically renewed for successive periods of twenty (20) years each unless terminated in accordance with Section 14.1(b), below. Notwithstanding the foregoing, in the event that the laws of the Governing Jurisdiction limit the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land only for so long as permitted the laws of the Governing Jurisdiction.

(b) This Declaration may not be terminated during the Development Period without the prior written consent of the Declarant. After twenty (20) years from the date of recording, this Declaration may be terminated only within thirty (30) days prior to the then-current expiration date of this Declaration by the vote of at least fifty-one percent (51%) of the votes required to constitute a quorum under the Bylaws, and by the Declarant, if the Declarant owns any portion of the Community, and evidenced by instrument recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

13.2 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, during the Development Period, Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. The failure of an amendment to apply uniformly to all Units shall not constitute a material adverse effect upon the rights of any Owner.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Members (i) for purposes of complying with the laws of the Governing Jurisdiction, and (ii) to correct scrivener's errors and other mistakes of fact, provided that amendments under this provision have no

material adverse effect on the rights of the Owners. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the vote of at least sixty-seven percent (67%) of the votes required to constitute a quorum under the Bylaws, and by the Declarant, if the Declarant owns any portion of the Community, and evidenced by instrument recorded in the Public Records.

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.

(d) 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 (6) 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.

13.3 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.

13.4 Fair Housing Amendments Act. The provisions of the Governing Documents shall be subordinate to the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, et seq., (hereinafter referred to as "FHAA"), and shall be applied so as to comply with the FHAA. In the event that there is a conflict between or among the Governing Documents and the FHAA, the FHAA shall prevail. Notwithstanding anything to the contrary contained herein, in the event that any provision of this Declaration conflicts with the FHAA, the Board of Directors, without the consent of the Members or of the Declarant, shall have the unilateral right to amend this Declaration for the purpose of bringing this Declaration into compliance with the FHAA.

13.5 Dispute Resolution. Any Owner or occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or occupant files any lawsuit against the Association, the Board, any director, or any agent of the Association. The Owner or occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and to resolve the dispute in an amicable fashion and shall give the Board a reasonable opportunity to address the Owner's or occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date no less than seven (7) nor more than twenty-one (21) Days from the date of receipt of the notice of hearing by the person requesting the hearing.

13.6 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by Members holding eighty percent (80%) of the total Class "A" votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in ARTICLE 8; (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 or 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.

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

13.8 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 Community. The grants and reservations 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 or reserved in this Declaration.

13.9 Use of the "Glennshire Townhomes" Name and Logo. Owners may use the words "Glennshire Townhomes" in printed or promotional matter where such terms are used solely to specify that particular property is located within the Community and for no other purpose.

13.10 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, the Declarant, 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.

13.11 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to a Unit shall give the Board at least seven (7) 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. After the transfer of title, 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.

13.12 Exhibits. **Exhibit** "A" attached to this Declaration is incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 13.2.

[Signature on following page]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration to be effective as of the date first set forth above.

"DECLARANT"

BC STONE HOMES, LLC
an Alabama Limited Liability Company

By: BCS Holding Company, Inc.
Its: Manager

By: 
Name: BRYAN C. STONE
Its: President

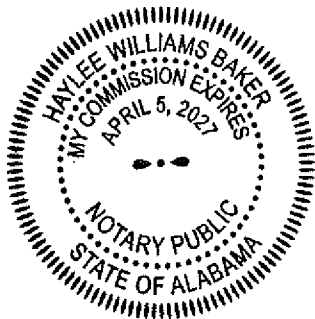
[notary acknowledgment appears on the following page]

STATE OF Alabama)
COUNTY OF Lee)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that BRYAN STONE whose name as President of BCS Holding Company, Inc., an Alabama corporation, in its capacity as Manager of BC STONE HOMES, LLC, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in his capacity as such President of BCS Holding Company, Inc., an Alabama corporation, in its capacity as Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 24 day of April, 2023.

[SEAL]



Haylee Baker
Notary Public

My Commission Expires: April 9, 2027

[Notary Acknowledgment for Declaration of Covenants, Conditions and Restrictions for Glennshire Townhomes]

EXHIBIT "A"

Land Initially Subject to Declaration

Lots 5 through 22, according to the Final Plat of Glennshire, recorded in Plat Book 48, Page 3, in the Office of the Judge of Probate in and for Lee County, Alabama.

A depiction of such plat can be found on the following page.

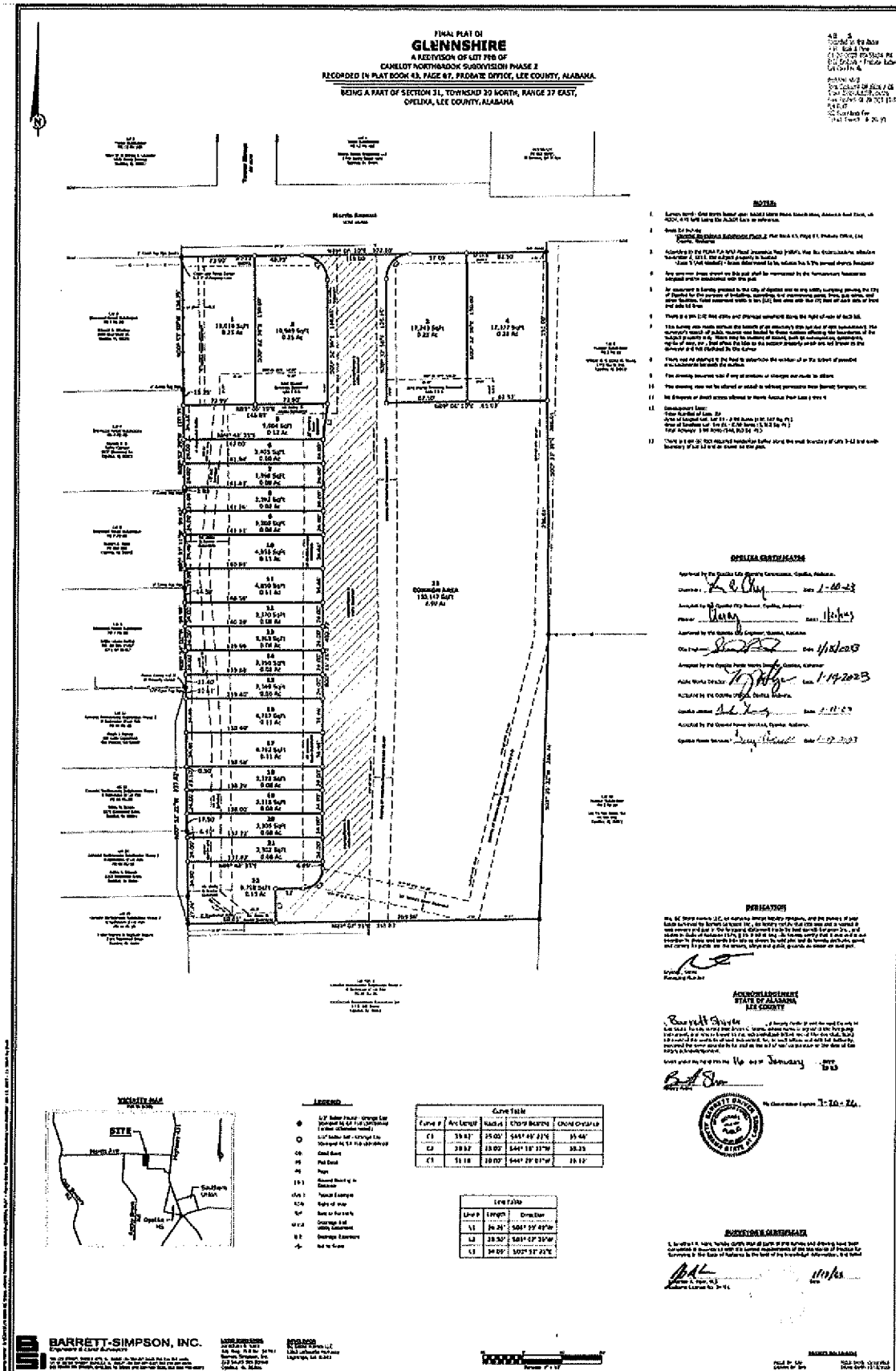


EXHIBIT "B"

State Specific Addendum (Alabama)

Priority of Lien. The lien provided herein shall not be valid as against a *bona fide* purchaser or mortgagee of the Parcel in question unless a notice of the lien shall have been recorded in the office of the Judge of Probate of Jefferson County, Alabama prior to the recordation in such Probate Office of the deed or mortgage conveying the Parcel in question to a purchaser (or subjecting the same to such mortgage).

Subdivision Plat. Developer may record, modify, amend, revise and otherwise add to or delete from, at any time and from time to time, a subdivision plat setting forth such information as Developer may deem necessary with regard to the Subject Property, including, without limitation, the locations and dimensions of all Parcels, Common Area, additional property subjected to this Declaration, public or private roads, public or private utility systems, drainage systems, utility easements, drainage easements, access easements, set-back line restrictions, lakes, retention ponds and drainage basins. Any such subdivision plats or any amendments thereto shall be binding on the portions of the Subject Property indicated thereon as if such subdivision plat were specifically incorporated into this Declaration. Developer may at any time or from time to time divide and re-divide, combine and re-subdivide any Parcels, Common Area and other portions of the Subject Property owned by Developer.

Effect of Violation on Mortgage. No violation of any provision of this Declaration shall defeat or render invalid any mortgage made in good faith and for value upon any portion of the Subject Property; provided, however, that any mortgagee in actual possession, or any purchaser at any mortgagees' or foreclosure sale shall be bound by and subject to this Declaration as fully as any other Parcel Owner.

Subordination of Lien to Mortgages. The lien of any assessment or charge authorized by this Declaration or the Bylaws with respect to a Member's Parcel is subordinate to the mortgage or other interest of any bona fide purchaser or mortgagee, if and only if all fees, assessments and charges levied against the Parcel due and payable on or prior to the date the applicable deed or mortgage is recorded have been paid. The sale or transfer of any Member's Parcel pursuant to a sale under power contained in a mortgage on a Parcel or pursuant to a deed in lieu of foreclosure thereof or pursuant to a judicial foreclosure thereof, shall extinguish the lien for assessments falling due prior to the date of such sale, transfer or foreclosure, but the Association shall have a lien on the proceeds of such sale senior to the equity of redemption of the mortgagor. The foregoing subordination shall not relieve a Member whose Parcel has been mortgaged of the Member's personal obligation to pay all assessments and charges falling due during the time the Member is the owner of the Parcel. The Board may at any time, either before or after the mortgaging of any Member's Parcel, waive, relinquish or quitclaim in whole or in part the right of the Association to assessments and other charges collectible by the Association with respect to the Parcel coming due during the period while the Parcel is or may be held by a mortgagee or mortgagees pursuant to a sale or transfer.