

STATE OF ALABAMA)

COUNTY OF MADISON)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BLOCK ONE, WILLOW SPRINGS,
A PLANNED DEVELOPMENT - HOUSING

This Declaration made and entered into on this 16 day of April, 1984, by Clowers Construction Company, Inc., hereinafter referred to as Developer.

WITNESSETH: That whereas Developer is the owner of Block One according to the plat of Willow Springs recorded in the Office of the Probate Judge of Madison County, Alabama, in Plat Book 13, pages 62 and 63 and

WHEREAS, Developer intends to and does hereby submit the above described real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon whether now existing or constructed hereafter and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property") to the provisions of this Declaration; and

WHEREAS, Developer further desires to establish for its own benefit and for the mutual benefit of all future owners and occupants of the Property or any part thereof and intends that all future owners, occupants, mortgagees and any other persons hereinafter acquiring any interest in the Property shall hold said interest subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, Developer as the legal title holder of the real estate hereinbefore described, and for the purposes above set forth, declare as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Association" means the Willow Springs Homeowners Corporation.

(b) "Board" means the Board of Directors of the Association.

(c) "Buildings" mean the buildings to be located on the above described real estate.

(d) "By-Laws" means the By-Laws of the Willow Springs Homeowners Corporation attached hereto as Exhibit B and made a part hereof as amended from time to time.

(e) "Common Elements" mean:

(1) Lot 45, the common recreation area, and any improvements that are constructed on it.

(2) The unpaved medians on Willow Springs Boulevard, Willow Point, Countryside Lane, and Whisperwood Way.

(3) Shrubbery around two front entrance markers on northwest corner of Lot 1 and the southwest corner of Lot 102.

(4) Right of way on the east side of Rideout Road until such time, if and when, the City of Huntsville elects to widen the pavement of Rideout Road.

The Common Elements shall remain undivided and shall not be the object of an action for partition or division of co-ownership.

(f) "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as hereinafter provided, and such Declaration as amended from time to time.

(g) "Developer" means Clowers Construction Company, Inc.

(h) "Lot" means each lot shown on the Plat, in Block One.

(i) "Lot Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership a Lot, but Lot Owner shall not mean the mortgagee or assignee of a recorded mortgage which holds a lien solely for security purposes and does not have possession of the Lot. Unless specifically provided otherwise herein, the Developer shall be deemed a Lot Owner so long as it is the legal title holder of any Lot.

(j) "Occupant" means a person or persons in possession of a Lot whether said person is a Lot Owner.

(k) "Parcel" means Block One, according to the Plat of Willow Springs in Plat Book 13, pages 62 and 63, which is more particularly described in Exhibit A attached.

(l) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(m) "Plat" means the plat of survey of the Parcel of record in Plat Book 13, pages 62 and 63, Probate Office of Madison County, Alabama.

(n) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including each Building and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Lot Owners.

(o) "Record or Recording" refers to the record or recording in the Office of the Probate Judge of Madison County, Alabama.

2. Submission of Property to Declaration and By-Laws. The Developer as the legal title holder in fee simple of the Parcel, expressly intends to, and by recording this Declaration does hereby, submit and subject the Parcel and the Property to the provisions of this Declaration and By-Laws.

3. Lots. The legal description of each Lot shall consist of the identifying lot and block number of such Lot as shown on the Plat. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Lot by its identifying lot and block number as shown on the Plat and every such description shall be deemed good and sufficient for all purposes. Except as provided by agreement of two-thirds (2/3rds) of the Lot Owners (including the affected Lot Owner), and the agreement in writing of the Developer and the consent in writing of all mortgagees of Lots, no Lot Owner shall by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Lot to be separated into tracts or parcels different from the whole Lot as shown on the Plat.

4. (a) Association of Lot Owners and Administration and Operation of the Property. There has been or will be formed an Association having the name "Willow Springs Homeowners Corporation", an Alabama corporation, which Association shall be the governing body for all of the Lot Owners for the maintenance, repair, replacement, administration and operation of the Property, as provided in this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit B and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of Lot Owners in accordance with the provisions of the Declaration and By-Laws. Each Lot Owner shall be a member of the Association so long as he is a Lot Owner. A

Lot Owner's membership shall automatically terminate when he ceases to be a Lot Owner. Upon the conveyance or transfer of a Lot Owner's interest to a new Lot Owner, the new Lot Owner shall simultaneously succeed to the former Lot Owner's membership in the Association. After the number of Class A Lots reaches 80 and 6 years from the date hereof has expired as provided hereafter, the aggregate number of votes for all members of the Association shall be one hundred one (101) and shall be divided and allocated among the respective Lot Owners as follows: 1 vote for each Lot.

Prior to such time there shall be two classes of Lots with respect to voting rights:

Class A. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined, and the Owner(s) of each such Class A Lot shall be entitled to one (1) vote.

When two or more persons hold an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Lot and in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B Lots shall be all Lots owned by Developer which have not been converted to Class A Lots as provided below. Developer shall be entitled to four (4) votes for each Class B Lot which it retains. The Class B Lots shall cease to exist and shall be converted to Class A Lots when there are 80 owner occupied residences on Class A lots, provided that the Class B Lots shall not, in any event, cease to exist until the expiration of six (6) years from the date hereof.

(b) Associate Members. The owners of lots in Westview Subdivision, recorded in Plat Book 10-74, Westview Subdivision Second Addition, recorded in Plat Book 13-38, and Westview Subdivision Third Addition, recorded in Plat Book 13-77 shall have the option of becoming associate members of said association without voting rights upon the payment of an initial membership fee as fixed by the Board of Directors in an amount not to exceed \$2,000.00, and upon payment of a proportionate share of expenses for only the maintenance and operation of the Common Recreation Area, Lot 45. Associate members and their families shall be entitled to the same use of the Common Recreation Area as the other members are entitled.

(c) Non-Liability of the Directors, Board, and Officers. Neither the directors, nor the officers of the Association, shall be personally liable to the Lot Owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever as such directors, or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Lot Owners shall indemnify and hold harmless each of

the directors, or officers, and their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

5. Board's Determination Binding. In the event of any dispute or disagreement between any Lot Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Lot Owners.

6. (a) Ownership of the Common Elements. The Owner of each Lot shall own an undivided 1/101 interest in the common elements.

(c) Any conveyance, lease, devise or other disposition or mortgage or encumbrance of any unit shall extend to and include such undivided interest in the common elements, whether or not expressly referred to in the instrument effecting the same.

(d) The ownership of the common elements shall remain undivided and shall not be the object of an action for partition or division.

7. Use of the Common Elements. Each Lot Owner shall have the right to use the Common Elements in common with all other Lot Owners, as may be reasonably required for the purposes of access, ingress to, egress from, and the use, occupancy and enjoyment of the common elements. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Declaration, By-Laws and rules and regulations of the Association. In addition, the Association (through the Board) shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

8. (a) Common Expenses. Each Lot Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration or By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate shares of the common expenses for each Lot Owner shall be in accordance with his percentage of ownership of the common elements. Payment of common expenses, including any prepayment thereof required by contract for a sale of a Lot shall be in such amounts and at such times as determined in the manner provided in the By-laws, except that commencement of the assessments shall occur upon the conveyance by Developer of the first Lot. No Lot Owner shall be exempt from payment of his proportionate share of

the common expenses by waiver or non-use or enjoyment of the Common Elements or by abandonment of his Lot. If any Lot Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the highest lawful rate after said common expenses become due and payable, shall constitute a continuing lien on the Lot against which the assessment is made. Each Lot Owner shall be personally liable for his portion of each assessment made while he is the owner of a Lot.

(b) Mortgage Protection. The lien for common expenses payable by a Lot Owner shall be subordinate to the lien of a recorded First Mortgage on the interest of such Lot Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary thereunder either takes possession of the Lot encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage. This subparagraph (b) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees and Beneficiaries of record, including Mortgagees and Beneficiaries of such condominium units.

9. Mortgages. Each Lot Owner shall have the right, subject to the provisions herein, to make separate mortgages for his respective Lot together with his respective ownership interest in the Common Elements. No Lot Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any mortgage or other lien on or affecting the Common Elements or any part thereof, except only to the extent of his own Lot and the respective percentage interest in the common elements.

10. Real Estate Taxes. Each Lot Owner shall pay his proportionate share of real estate taxes on the common elements by assessing his undivided interest in the common elements with his lot or unit.

11. Insurance. Each Lot Owner shall obtain insurance for his Lot, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost thereof, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the said Lot, or any part thereof to substantially the same condition in which it existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, each Lot Owner or the holders of mortgages on his Lot, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual Lot Owners. The premiums for such insurance shall be an individual expense.

In the event of damage to or destruction of any Building as a result of fire or other casualty covered by insurance proceeds,

each directly affected Lot Owner shall arrange for the prompt repair and restoration of the damaged portions of his Building and specifications therefor. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by the Lot Owner directly affected by the damage. The affected Lot Owners shall be deemed to be that Lot Owner who suffers damage from the aforementioned casualty.

The Board shall obtain fire and extended coverage insurance for the improvements in the common areas and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Lot Owner and each any mortgagee of record, if any, the Association, its officers, directors, Board and employees, from liability in connection with the Common Elements. The premiums for such insurance shall be separately billed a common expense and to each Lot Owner for his corresponding percentage of ownership in the Common Elements. The Board shall retain in safe-keeping any such public liability policy for ten (10) years after the expiration date of the policy.

The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the property and each member of the Board and Officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a common expense.

Each Lot Owner shall be responsible for obtaining his own insurance on his own Lot, as well as his additions and improvements thereto, decoration, furnishing and personal property therein, and personal property stored elsewhere on the Property. In addition, in the event a Lot Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Lot Owners as part of the common expenses, as above provided, said Lot Owner may, at his option and expense, obtain additional insurance.

12. Maintenance, Repairs and Replacements. Each Lot Owner, at his own expense, shall furnish and be responsible for all maintenance of repairs to and replacements within his own Lot. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association.

13. Architectural and Use and Occupancy Protective Covenants and Restrictions. There are hereby established and fixed protective covenants and restrictions as to the future use of all of the lots in Block One in said Willow Springs, as follows:

a. All buildings and other improvements shall be constructed in compliance with City of Huntsville ordinances no. Lot Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Lot to be separated into any tracts or parcels different from the whole Lot as shown by the Plat.

b. No building shall be located on any Lot nearer to the front lot line, nor nearer to the rear lot line, nor nearer to the side street line than the front setback line (F.S.L.), rear setback line (R.S.L.), and side street setback line (S.S.L.) as shown on the recorded plat. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

c. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat.

d. No structures of temporary character, trailer, basement, tent, shack, garage, barn or other out-buildings, shall be used on any lot at any time as a residence, either temporarily or permanently.

e. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

f. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided, that they are not kept, bred or maintained for any commercial purposes.

g. No fence, wall, hedge, or shrub planting, which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-four (24) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such

intersections, unless the foilage line is maintained at sufficient height to prevent obstruction of such sight lines.

h. No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one (1) square foot, one sign of not more than eight (8) feet, advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

i. No noxious or offensive activity shall be permitted on or upon any lot, not shall anything be done thereon, which may be or become an annoyance or nuisance to the neighborhood.

j. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling not to exceed two and one-half (2 ½) stories in height, with a private garage for not more than three (3) cars and other buildings incidental to the residential use of the lot.

k. No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee, as to the quality of workmanship and materials, harmony of external design with existing quality of workmanship and materials, harmony of external design with existing structures and as to the location with respect to topography and finish grade elevations. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building set back line, unless similarly approved, approval shall be as provided in Paragraph 13 hereof.

l. The Architectural Control Committee is composed of DENNIS E. CLOWERS, PATRICIA L. CLOWERS and JOE L. PAYNE. A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of this Committee, the remaining members shall have full authority to designate a successor. Neither the members of the Committee nor it's designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the Committee or to withdraw from the Committee, or restore to it, any of it's powers and duties.

m. The Committee's approval or disapproval as required in these covenants, shall be in writing. In the event the Committee, or it's designated representatives, fail to approve or disapprove within thirty (30) days, after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

n. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them, for a period of twenty-five (25) years from the date these covenants are recorded, after which time, said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of the lots has been recorded agreeing to change said covenants in whole or in part.

o. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

p. Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

14. Liens in Favor of Association and Remedies. The association shall have a lien on each lot for any unpaid assessment duly made by the association for a share of common expenses, together with interest thereon and reasonable attorney's fees. Such lien shall be effective from and after the time of recording in the public records of the county in which the unit is located of a claim of lien stating the description of the unit, the name of the record owner, the amount due and the date when due. Such claim of lien shall include only sums which are due and payable when the claim of lien is recorded and shall be signed and verified by an officer or agent of the association. Upon full payment of all sums secured by the lien, the party making payment shall be entitled to a recordable satisfaction of lien. All such liens shall be subordinate to any lien for taxes, the lien of any mortgage of record and any other lien recorded prior to the time of recording of the claim of the association's lien.

a. Upon any voluntary conveyance of a Lot, the grantor and grantee of such Lot shall be jointly and severally liable for all unpaid assessments pertaining to such Lot duly made by the association or accrued up to the date of such conveyance without prejudice to the right of the grantee to recover from the grantor any amounts paid by the grantee, but the grantee shall be exclusively liable for those accruing while he is the Lot owner.

b. Any Lot owner or any purchase of a Lot prior to completion of a voluntary sale may require from the association a certificate showing the amount of unpaid assessments pertaining to such unit, and the association shall provide such certificate within 10 days after request therefor. The holder of a mortgage or other lien on any unit may request a similar certificate with respect to such unit. Any person other than the Lot Owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon, and his liability for such unpaid assessments shall be limited to the amounts set forth in such certificate .

c. If a holder of a first lien of record or other purchaser of a Lot obtains title to such Lot as a result of foreclosure of the first lien, such acquirer of title, his successors and assigns shall not be fully liable for the share of common expenses or other assessments by the association pertaining to such Lot or chargeable to the former Lot owner which became due prior to acquisition of title as a result of the foreclosure. Such unpaid share of common expenses shall be deemed to be common expenses collectable from all of the remaining unit owners including such acquirer, his successors and assigns.

d. Liens for unpaid assessments may be foreclosed by an action brought in the name of the association in the same manner as a foreclosure of a mortgage on real property. The association shall have the power to bid in the unit as foreclosure sale and to acquire, hold, lease, mortgage and convey the same. An action to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same.

15. Amendment. Unless otherwise provided in this Declaration, the provisions of this Declaration may be changed, modified, or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Lot Owners owning not less than sixty-seven percent (67%) of the total ownership of the Common Elements and acknowledged, provided, however, that all lien holders of record have been notified by the Secretary of the Association certifying to such mailing made a part of such instrument.

However, if this Declaration or the By-Laws required the consent or agreement of a percentage of Lot Owners or of lien holders for any action specified in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by the requisite percentage of the Lot Owners or lien holders or both as required by this Declaration. The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the office of the Probate Judge of Madison County, Alabama.

16. Notices. Notices provided for in this Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, at 6507 Willow Springs Boulevard, Huntsville, Alabama 35810 or any Lot Owner at the Owner's Lot or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Lot Owners. Any Lot Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person.

Upon written request to the Board, the holder of any recorded mortgage encumbering any Lot shall be given a copy of all notice permitted or required by this Declaration to be given to the Owner or Owners whose Lot is subject to such mortgage.

17. Severability. If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

18. Rights and Obligations. Each Grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Lot Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By-laws which are more than administrative in nature such as, but not limited to, reservations and future rights of the Developer are hereby incorporated into and made a part of this Declaration by reference. All rights, benefit and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Lot Owners tenants and Occupants of a Lot shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith, as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a Lot or the entering into occupancy of any Lot shall constitute an agreement that the provisions of this Declaration, and said By-Laws and any Rules and Regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Lot Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease, thereof.

19. Trustee as Lot Owner. In the event title to any Lot is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Lot Owners for all purposes and they shall be responsible for payment of all obligations,

liens, or indebtedness and for the performance of all agreements, covenants and under takings chargeable or created under this Declaration against such Lot. No claim shall be made against any such title holding trustee personally for payment of any lien or obligations hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligations shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer or title to such Lot.

20. Rights Reserved. The Lot Owner's right of enjoyment in the Common Elements as herein created shall be subject to the right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations.

21. Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Regulations. Notwithstanding anything to the contrary contained in this Declaration, or in the By-Laws which are attached hereto, all terms, conditions and regulations which are now existing, or which may be amended from time to time, by the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation pertaining to planned unit developments, are hereby incorporated as terms and conditions of the Declaration and By-Laws and such shall be governing upon the Property, and the Association, so long as such terms or conditions are not inconsistent with the laws of the State of Alabama as amended.

Specifically, without limitation upon the foregoing, the following declarations shall be fully effective and controlling over any terms of the Declaration or By-Laws which are in conflict. Any portions of such Declaration or By-Laws which are in conflict with this paragraph, or any portion of the regulations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation pertaining to planned unit developments, are hereby deleted and such regulations are substituted therefor. The following rights of mortgagees and others are itemized as follows:

(a) Any mortgagee of a Lot and any insurer or guarantor thereof, at his or its request, is entitled to written notification from the Association of (1) any default by the mortgagor of such lot in the performance of such mortgagor's obligations under this Declaration or the By-Laws which is not cured within thirty (30) days, (2) any condemnation loss or any casualty loss which affects a material portion of the property of any Lot as to which such mortgage applies; (3) any lapse, cancellation, or mutual modification of any insurance policy or fidelity bond maintained

by the Association, (4) any proposed action which would require the consent of a specified percentage of mortgagees as set forth in sections (d) and (e) below.

(b) Any first mortgagee of a Lot who comes into possession of the Lot pursuant to the remedies provided in the mortgage, foreclosure of the mortgage or deed in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot, which accrue prior to the time such holder comes into possession of the Lot (except for claims for a prorata share of such assessments or charges resulting from a prorata reallocation of such assessments or charges to all Lots and other Units including the mortgaged Lot).

(c) Unless at least seventy-five (75%) percent of the first mortgagees (based upon one (1) vote for each mortgage owned) of Lots have given their prior written approval, the Association shall not be entitled to:

(i) Change the prorata interest or obligations of any Lot for (A) purposes of levying assessments or charges and for (B) determining the prorata share of each Lot in the Common Elements;

(ii) By act or omission, change, waive, or abandon the regulations pertaining to the maintenance and upkeep of all common areas;

(iii) Fail to maintain fire and extended coverage on insurable common elements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(iv) Use hazard insurance proceeds for losses to any common elements for other than the repair, replacement, or reconstruction of such common elements.

(d) First mortgages shall have the following rights:

(i) Any restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the Plat, unless other action is approved by first mortgagees holding mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to such mortgages;

(ii) Any election to terminate the legal status of the Property after substantial destruction or a substantial taking in condemnation of the Property must require the approval of first mortgagee's holding mortgages on Lots or Units which have at least fifty-one (51%) of the votes of Lots subject to first mortgages;

- (iii) No reallocation of interest in the Common Elements resulting from a partial condemnation or partial destruction may be affected without the prior approval of first mortgagee's holding mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to first mortgages;

(e) Except for amendments or termination of the planned development made as a result of destruction, damage, or condemnation, (i) the approval of First Mortgagees holding mortgages on Lots which have at least seventy-five (75%) percent of the votes of the Lots subject to first mortgages shall be required to terminate the legal status of the property as a Planned Development, (ii) and the approval of first mortgagees holding mortgages on Lots which have at least fifty-one (51%) percent of the votes of Lots subject to first mortgages shall be required to add or amend any provision of this Declaration which provides for, governs, or regulates any of the following:

- (1) Voting
- (2) Assessments, assessment liens or subordination or such liens
- (3) Reserves for maintenance, repair, and replacement of the Common Elements (or Lots, if applicable)
- (4) Insurance or fidelity bonds
- (5) Rights to use of the common areas
- (6) Responsibility for maintenance and repair of the property
- (7) Expansion or contraction of the property, or the addition, annexation, or withdrawal of any real property to or from the property
- (8) Boundaries of any Lot
- (9) The interest in the common areas
- (10) Convertability of Lots into common areas or common areas into Lots
- (11) Leasing of Lots
- (12) Imposition of any right of first refusal or similar restriction on the right of a Lot Owner to sell, transfer, or otherwise convey his Lot
- (13) Any provisions which are for the express benefit of mortgage holders or the guarantors or insurers of such mortgages

(14) any First Mortgagee which receives a written request to approve additions or amendments as set forth in this Section 29 (e) which does not deliver to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(f) Any first mortgagee, and the insurer or guarantor of such first mortgage, shall be entitled, upon written request, within a reasonable time following such request, to an audited financial statement for the immediately preceding fiscal year without charge to the party so requesting.

(g) The Board shall make available for inspection, on request, during normal business hours, to Lot Owners, the holders of mortgages on Lots, and the insurers or guarantors of any first mortgage copies of the Declaration, By-Laws, rules and regulations of the property, and the books, records, and financial statements of the Association.

(h) An adequate reserve fund for the replacement of Common Elements will be established and funded by regular monthly payments rather than by special assessments.

(i) All leases or rental agreements for Lots shall be in writing and shall be subject specifically to the requirements of this Declaration and the By-Laws. No Lots may be leased or rented for a period of less than thirty (30) days.

(j) The authorized representatives of the Association, Board, or its agent with approval of the Board, shall be entitled to reasonable access to the Lots as may be required in connection with the preservation of any individual Lot or Common Elements in the event of an emergency, or in connection with maintenance of, repairs to, or replacement within the Common Element, or any equipment, facilities, or fixtures affecting or serving other Lots any Common Elements, or to make any alteration required by any governmental authority.

(k) The Association, at all times, shall maintain all Property, flood, liability, and fidelity insurance and bond as required from time-to-time by the Federal Home Loan Mortgage Corporation and by the Federal National Mortgage Association, which insurance shall be a common expense.

(l) First mortgagees of Lots may, jointly or separately, pay taxes or other charges which are in default and which may or have become a charge against any common element and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, or such Common Elements, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(m) No Lot Owner or other party shall have priority over any rights of the first mortgagees of Lots pursuant to their mortgages in the case of distribution to Lot Owners of insurance proceeds or condemnation awards or losses to or a taking of Common Elements.

(n) Any agreement for professional management of the Property, or any other contract providing for the services of the Developer, may not exceed three (3) years and any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

(o) The Association shall give to the Federal Home Loan Mortgage Corporation or any lending institution servicing such mortgages as are acquired by the Federal Home Loan Mortgage Corporation, notice in writing of any loss to or the taking of any Common Elements if such loss or taking exceeds ten thousand (\$10,000) dollars.

(p) The interest of a first mortgagee in a mortgaged Lot shall be superior to the interest of any other person, group, partnership, corporation, or entity of any kind, including any interest the Board or any Lot Owner may have in any portion of the affected Lot and its appurtenant interest in the Common Elements regardless of the nature of the interest or the manner in which it is acquired.

(q) Notwithstanding the above, any first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee and under the laws of the State of Alabama.

IN WITNESS WHEREOF, Clowers Construction Company, Inc., a corporation, has caused this instrument to be executed by Dennis E. Clowers, as its President on this the 16 day of April, 1984.

CLOWERS CONSTRUCTION COMPANY, INC:

By Dennis E. Clowers
Its President


STATE OF ALABAMA)

MADISON COUNTY)

I, JOE L. PAYNE, a Notary Public in and for the above County in said State, hereby certify that Dennis E. Clowers, whose name as President of Clowers Construction Company, Inc., a corporation, is signed to the foregoing Declaration of Covenants, Conditions and Restrictions, and who is known to me, acknowledged before me on this day that, being informed of the

contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as an act of said corporation on the day the same bears date.

Given under my hand, this the 16 day of APRIL,
1984.



Notary Public