

Phase II
"The Cottages"



Sehoy

Restrictions
and
Covenants

Developed by Sehoy Development LLC
621-1000

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

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Adrian T. Johns, Judge of Probate

588484

SEHOY DEVELOPMENT L.L.C.

ARCHITECTURAL COMMITTEE REQUIREMENTS (AC)

1. Two full sets of plans and specs to be submitted:
One set Architectural Committee to keep
One set for Architectural Committee to approve,
stamp and return to owner
2. Two site plans (plot plan) with front, back and side yard
dimensions on plan:
One plan for Architectural Committee to keep
One plan for Architectural Committee to approve,
stamp and return to owner

BASIC REQUIREMENTS

- ROOF - A MINIMUM ROOF ANGLE/SLOPE PITCH OF 7/12 WILL BE
REQUIRED FOR ALL DWELLINGS. MATERIALS: ROOFING SHALL BE
TEXTURED, ARCHITECTURAL SHINGLES COMPATIBLE TO GAF
WOODLINE OR PINE OR CEDAR SHAKES. METAL ROOFS WILL BE
PERMITTED IF APPROVED BY THE ARCHITECTURAL COMMITTEE.
- DIMENSIONAL ARCHITECTURAL ROOF SHINGLES (SEE EXHIBIT 1
FOR SPECIFICATIONS)
- SIDEWALKS CONCRETE - 4 FEET WIDE ALL ACROSS FRONT OF LOT
TO BE PAID FOR BY OWNER OR BUILDER
- LANDSCAPE PLANS FOR FRONT YARD
- MAILBOXES - DECORATIVE MAILBOXES METAL IN DESIGN (SEE
EXHIBIT 2 FOR SPECIFICATIONS).
- EXTERIOR - EXTERIOR TO BE BRICK, STUCCO, WOOD SIDING, OR
STONE; EAVES, SOFFITTS, GABLE ENDS, AND UNDER PORCHES MAY
BE VINYL OR WOOD; ALL SUBJECT TO COMMITTEE APPROVAL;
BRICK OR OTHER APPROVED SIDING SHALL EXTEND TO THE
GROUND; SIDING ACCENTS LIMITED TO NO MORE THAN 25% OF
TOTAL AREA OF OUTSIDE WALLS

EXTERIOR COLOR - NO COLOR EXTREMES WILL BE PERMITTED. EXTREME COLORS WILL BE DETERMINED BY THE ACC FIRST, OR RISK HAVING TO REDO THE EXTERIOR COLOR SCHEME

- SOD - FULLY SODDED FRONT AND SIDE YARD, EXCEPT WHERE LANDSCAPED AND POST 15' OF BACK OF HOME
- FENCES - FENCES TO BE OF DECORATIVE DESIGN AND CONSTRUCTED OF WOOD, IRON OR MASONRY AFTER DESIGN IS APPROVED BY COMMITTEE; NO CHAIN LINK OR OTHER WIRE PERMITTED (SEE EXHIBIT 3 ON SPECIFIC ACCEPTABLE DESIGNS)
- OTHER REQUIREMENTS AS MAY BE DEEMED NECESSARY BY THE COMMITTEE AFTER REVIEW OF THE PLANS, SPECS AND SITE PLANS

THE ARCHITECTURAL COMMITTEE RESERVES THE RIGHT TO MODIFY AND/OR CHANGE REQUIREMENTS AS NECESSARY AND/OR ADVISABLE.

A SAMPLE PRELIMINARY ARCHITECTURAL REVIEW CHECKLIST AND A FINAL ARCHITECTURAL REVIEW CHECKLIST, AS REVISED, MAY BE ACQUIRED FROM THE DEVELOPER TO ASSIST IN ARCHITECTURAL CONTROL OF THIS DEVELOPMENT.

SEHOY DEVELOPMENT, L.L.C.

ARCHITECTURAL REVIEW

To Assure Quality Control
To Provide for the Community's Organized Development
To Maintain Environmental Safeguards

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PRELIMINARY ARCHITECTURAL REVIEW GUIDELINES CHECKLIST

1. Preliminary Sample Board (due prior to completion of framing):
 - a. Provided sample of proposed exterior material? Y N
 - b. Provided sample of roof material? Y N
 - c. Provided sample of ext. paint/stain? Y N
 - d. Provided sample of ext. trim color? Y N
 - e. Provided sample of door color? Y N
 - f. Provided sample of window color? Y N
2. Schematic drawings- SITE PLAN (due prior to starting framing):
 - a. Lot number? Y N
 - b. North arrow? Y N
 - c. Property lines with dimensions and bearings? Y N
 - d. Dwelling indicated as exterior walls with entry area and stairs delineated and roof and deck lines shown and noted? Y N
 - e. Exterior walks, decks, etc., dimensioned? Y N
 - f. Setback limits shown? Y N
 - g. Building accurately located from property lines? Y N
 - h. Drives and walks shown? Y N
 - i. Garage, patios, decks, pools, etc., indicated? Y N
3. Schematic Drawings- FLOOR PLANS:
 - a. Minimum 1/8" = 1'-0" scale? Y N
 - b. Room use labeled? Y N
 - c. All walls shown? Y N
 - d. All windows and doors with swings shown? Y N
 - e. All overhangs of floors and roofs above shown as dashed lines? Y N
 - f. All fixtures, cabinets, and appliances shown? Y N
 - g. Ground level plan indicates foundations, enclosures, driveway location, stairway, garbage, and H.V.A.C. enclosures? Y N

4. Schematic Design - ELEVATIONS

a. Minimum scale 1/8" - 1'-0"?

Y__N__

5. General Requirements

a. Corners of house staked on the lot in the proposed locations?

Y__N__

b. Trees to be removed flagged with optic orange surveyor's tape?

Y__N__

g. General Comments

STATUS

Approved ____ Not Approved ____ Approved As Corrected ____
 Revise and Resubmit ____

**CHECKING IS ONLY FOR COMPLIANCE WITH THE REQUIREMENTS
 OF THE ARCHITECTURAL COMMITTEE OF
 SEHOY DEVELOPMENT, L.L.C.
 DAPHNE, ALABAMA**

BY: _____ DATE: _____

**ARCHITECTURAL CONSULTANTS
 FOR THE PREPARATION OF THE DESIGN GUIDELINES:**

SEHOY DEVELOPMENT, L.L.C.

ARCHITECTURAL REVIEW

To Assure Quality Control
To Provide for the Community's Organized Development
To Maintain Environmental Safeguards

FINAL ARCHITECTURAL REVIEW

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1. Submittals:

- a. Submit two (2) copies of construction documents and specifications for final review. The documents should verify that the preliminary design and recommendations by the Board have been followed and conform to the restrictive covenants.
- b. Submit any changes made to the Preliminary Sample Board.

2. Final Drawings:

- | | | | |
|----|--|------------|--------|
| A. | Site Plan. | Presented? | Y__N__ |
| a. | Walks and drives located, dimensions and materials indicated? | | Y__N__ |
| b. | Limits of construction activity shown? | | Y__N__ |
| c. | Exterior lighting type(s) and locations(s) shown? | | Y__N__ |
| d. | H.V.A.C. unit(s) and trash enclosures(s) with screening shown? | | Y__N__ |
| e. | Utility meter location shown? | | Y__N__ |
| f. | Roof plan at same scale shown? | | Y__N__ |
| B. | Planting Plan. | Presented? | Y__N__ |
| a. | Drawn @ 1/4" - 1'-0" scale? | | Y__N__ |
| b. | Variety, size, location and number of all plant materials shown? | | Y__N__ |
| c. | Types and limits of seeded areas shown? | | Y__N__ |
| d. | Plant list with botanical name, quantity common name, size, and special specifications done? | | Y__N__ |

- | | | | |
|----|---------------------|--|--------|
| C. | Foundation Plan | Presented? | Y__N__ |
| | a. | Drawn @ 1/4" = 1'-0" scale? | Y__N__ |
| | b. | Footing details done? | Y__N__ |
| | c. | Framing system noted? | Y__N__ |
| D. | Floor Plan(s) | Presented? | Y__N__ |
| | a. | Drawn @ 1/4" = 1'-0" scale? | Y__N__ |
| | b. | Thoroughly dimensioned? | Y__N__ |
| | c. | Wall, window, and door (w/swing) shown? | Y__N__ |
| E. | Exterior Elevations | Presented? | Y__N__ |
| | a. | Drawn @ 1/4" = 1'-0" scale? | Y__N__ |
| | b. | Revised as required by preliminary architectural review? | Y__N__ |
| F. | Building Sections | Presented? | Y__N__ |
| | a. | Drawn @ 1/4" = 1'-0" scale? | Y__N__ |
| | b. | Typical deck and railing details drawn at appropriate scale? | Y__N__ |
| | c. | Typical screened porch details drawn? | Y__N__ |
| | d. | Major building section @ 1/2" = 1'-0" scale (thorough building showing exterior stairs) drawn? | Y__N__ |
| G. | Structural Plan(s) | Presented? | Y__N__ |
| | a. | Required if structure not depicted in other drawings. Is it required? | Y__N__ |
| H. | Additional Plans | Presented? | Y__N__ |
| | a. | Finish, door, window, and lintel schedules presented? | Y__N__ |
| | b. | Electrical plan(s) presented? | Y__N__ |
| | c. | Are proposed fences presented? | Y__N__ |
| | d. | Area proposed detached building presented? | Y__N__ |
| | e. | Are swimming pools presented? | Y__N__ |
| | f. | Drives are a minimum of 9' wide and no more than 12' wide? | Y__N__ |
| | g. | Paving materials are consistent with or complement the architecture of the house? | Y__N__ |
| | h. | There are no tennis courts proposed? | Y__N__ |

3. General Comments:

STATUS

Approved ____ Not Approved ____ Approved As Corrected ____
Revise and Resubmit ____

**CHECKING IS ONLY FOR COMPLIANCE WITH THE REQUIREMENTS
OF THE ARCHITECTURAL COMMITTEE OF
SEHOY DEVELOPMENT, L.L.C.
DAPHNE, ALABAMA**

BY: _____ DATE: _____

**ARCHITECTURAL CONSULTANTS
FOR THE PREPARATION OF THE DESIGN GUIDELINES:**

SEHOY DEVELOPMENT, L.L.C.

ARCHITECTURAL COMMITTEE REQUIREMENTS WITH EXHIBITS

EXHIBIT 1	ROOF
EXHIBIT 2	MAILBOXES
EXHIBIT 3	FENCES
EXHIBIT 4	PRELIMINARY ARCHITECTURAL REVIEW CHECKLIST
EXHIBIT 5	FINAL ARCHITECTURAL REVIEW CHECKLIST

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STATE OF ALABAMA
BALDWIN COUNTY

**DECLARATION OF PROTECTIVE COVENANTS
FOR
SEHOY DEVELOPMENT, L.L.C.
"THE COTTAGES"**

Preamble - THIS DECLARATION is made on the date hereinafter set forth by Sehoj Development, L.L.C. (hereinafter sometimes called "Declarant"). The term "declarant" as used herein includes Sehoj Development, L.L.C. and its successors and assigns. Declarant is the owner of the real property described in this declaration. Declarant desires to subject the real property described below to the provisions of this declaration for the purpose of creating a residential community and to provide for the subjection of other real property to the provisions of this declaration. Declarant intends by this declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property within the subjection by the recording of this declaration and amendments thereto. Declarant also desires to establish a method for the administration, maintenance, preservation, use, and enjoyment of the property that is now or hereafter subjected to this declaration and certain other property described in this declaration.

**ARTICLE ONE
DECLARATION**

1. Declaration. Declarant hereby declares that the real property described in this declaration, including the improvements heretofore or hereafter constructed thereon, is hereby subjected to the provisions of this declaration and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property hereby or hereafter made subject hereto; and the same shall be binding upon all persons having any right, title or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, and assigns and shall inure to the benefit of each and every owner and occupant of all or any portion thereof.

2. Property Hereby Subjected to this Declaration. The real property which is, by the recording of this declaration, subject to the covenants and restrictions hereinafter set forth and which, by virtue of the recording of this declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this declaration, is the real property described below, to wit:

Phase Two of Sehoj Subdivision which consists of Lots 1-36 of said recorded plat recorded on March 26, 2001 in the Office of the Judge of Probate, Baldwin County, Alabama by instrument # 588418 and Slide #2039-D.

3. Other Property. Only the real property described in this declaration is hereby made subject to this declaration; provided, however, by one (1) or more supplementary declarations, as hereinafter more fully appears, declarant shall have the right, but not the obligation, to subject other real property to this declaration, as hereinafter provided.

ARTICLE TWO ANNEXATION OF ADDITIONAL PROPERTY

1. Unilateral Annexation By Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, declarant shall have the unilateral right, privilege and option from time to time at any time until ten (10) years after the recording of this declaration to subject all or any portion of the real property described in the Exhibit attached hereto entitled "Areas Which May be Added to Sehoj Development, L.L.C.", and by reference, made a part hereof, to the provisions of this declaration and the jurisdiction of Sehoj Development, L.L.C. Property Owner's Association by filing for record a supplementary declaration with respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such supplementary declaration unless otherwise provided therein. This declaration shall not preclude the annexation of property which, at the time this declaration is recorded, is not owned by declarant and/or is improved with houses. Such property may, with the consent of the owner(s) thereof, be annexed by declarant in accordance with the procedures set forth in this section. The declarant may unilaterally amend this declaration to reflect the difference character of any real property annexed by declarant, provided that covenants applicable to the real property previously subjected to this declaration are not materially adversely changed and further provided that the rights of the then owners are not

adversely affected. If improved property is annexed, the supplementary declaration annexing such property shall provide, and is hereby expressly permitted to provide, that the provisions herein relating to the use and occupancy of the property, and any rule, use restriction, or design guideline promulgated pursuant thereto may not be applied to cause the removal or alteration of any preexisting condition that is otherwise prohibited by such provisions, unless such condition constitutes a nuisance or unsightly or unkempt condition as provided herein.

2. Annexation by the Association. Subject to the consent of the owner thereof and, so long as the declarant has an option to subject additional property to this declaration as provided above, the consent of the declarant, upon the affirmative vote of at least a majority of the association vote, present in person or by proxy, at a meeting duly called for such purpose (or, if a meeting is not called, upon the affirmative vote of at least a majority of votes cast in a referendum on the issue), the association may annex other real property to the provisions of this declaration and the jurisdiction of the association by filing for record a supplementary declaration with respect to the property being annexed. Any such supplementary declaration shall be signed by the president of the association and attested by its secretary, and any such annexation shall be effective upon the filing for record of such supplementary declaration, unless otherwise provided therein.

3. No Obligation to Add Any Land. The rights reserved unto declarant to subject additional land to the declaration shall not and shall not be implied or construed so as to impose any obligation upon declarant to subject any of such additional land to this declaration or to the jurisdiction of the association. If such additional land is not subjected to this declaration, declarant's reserved rights shall not impose any obligation on declarant to impose any covenants and restrictions similar to those contained herein upon such additional land, nor shall such rights in any manner limit or restrict the use to which such additional land may be put by declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby, or not.

ARTICLE THREE PROPERTY OWNER'S ASSOCIATION

1. Property Owners' Association. The declarant shall cause to be formed a non-profit corporation, which shall be charged with the responsibility for the administration of the common affairs of the owners of the various parcels of property which comprise Sehoy

Development, L.L.C. The name of the association shall be Sehoy Development Property Owner's Association. (herein sometimes referred to as the "association"). Should declarant or the association elect to exercise their right to subject other property to this declaration, the association shall administer the common affairs of the several owners of the annexed property in the same manner in which it manages the common affairs of the several owners of the property described hereinabove.

2. Association Membership. Every owner of property within Sehoy Development, L.L.C. (hereinafter sometimes called "owners") shall be deemed by virtue of such ownership to have membership in the association. Membership shall be appurtenant to and may not be separated from the ownership of property within the subdivision.

3. Association Voting Rights. The corporation shall have two classes of voting membership, described as follows: **Class A** - Class A members shall be entitled to one vote for each lot owned within the association's jurisdiction. When more than one person holds an ownership interest in any lot, the vote for such lot shall be exercised as those owners shall among themselves determined. In the event of a dispute among the several owners of a lot as to the exercise of their vote, the vote with respect to that lot shall be suspended until the owners shall among themselves agree as to the casting of such vote. If any owners of property within the subdivision are exempt from assessments for common or other expenses as provided herein or in the association's articles of incorporation or by-laws, their property interests shall nevertheless be subject to the provisions of this declaration, but they shall not be entitled to vote on association matters. **Class B** - The only Class B members shall be the Declarant as outlined in the Articles of Incorporation.

4. Voting Rights for Lots not Occupied by Their Owners. Any owner of a lot not occupied by its owner may, in the lease or other written instrument memorializing the occupant's interest, assign the owner's voting right appurtenant to that lot to the occupant, provided that a copy of such instrument is furnished to the association's secretary within such time period as may be prescribed by the secretary. In the event of such assignment, the occupant may cast the owner's vote on all issues upon which the owner would be entitled to vote.

5. Suspension of Voting Rights and other Privileges. The association may suspend the voting rights of owners and occupants and the right of an owner and occupant to use the common property recreational facilities in the community, if any, for any period during which any assessments for common or other expenses as

provided herein or in the association's articles of incorporation or by-laws remains unpaid, and, for a reasonable period of time for an infraction of the declaration, by-laws, use restrictions, rules and regulations or design guidelines.

ARTICLE FOUR BUDGETS AND ASSESSMENTS

1. Budget. It shall be the duty of the association's board of directors (herein sometimes referred to as "board") to prepare a budget setting forth the estimated costs of operating the association during the coming year. The budget shall address the funds necessary for furthering the general purposes of the association, which include, but are not necessarily limited to, promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the owners and occupants of Sehoy Development, L.L.C., including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the board. The budget shall include a capital contribution or reserve or sinking fund in accordance with a capital budget separately prepared.

2. Assessment. The board shall cause the budget and the assessments necessary to fund the budget to be levied against each lot for the following year. Copies of the budget, and notice of each lot's assessments, shall be delivered to each lot owner at least thirty (30) days prior to the end of the current fiscal year. The board may not, without the consent of declarant (so long as declarant has an option unilaterally to subject additional property to this declaration as provided herein) and the vote or written assent of at least a majority of the total association vote entitled to vote thereon, impose a general assessment per lot which is more than one hundred ten (110%) percent of the general assessment for the immediately preceding fiscal year. For the purpose of the limitation on assessment increases contained in this section, the term "general assessment" shall be deemed to include the amount assessed against each lot plus a pro rata allocation made in accordance with the method of allocating general assessments of any amounts the association received through any subsidy in effect for the year immediately preceding the year for which the assessment is to be increased. If the board fails for any reason to project a budget or levy assessments for any year, then and until such time as a budget shall have been determined for that year, as provided herein, the budget and assessments in effect for the previous year shall continue and remain in effect for the succeeding year.

3. Types of Assessment. Each owner of any lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the association all general assessments levied against and allocated among all property within Sehoy Development, all special assessments levied against their specific property in accordance with the provisions set forth herein or in the association's articles of incorporation or by-laws, and such reasonable fines as may be imposed in accordance with the terms of the declaration, articles of incorporation, by-laws.

4. General Assessments. General assessments as determined by the board shall be annual assessments, even if they are to be paid in installments due more frequently than annually. Assessments shall be paid in such manner and on such dates as may be fixed by the board, which may include, without limitation, acceleration upon ten (10) days written notice, of delinquent annual assessments. Unless otherwise provided by the board, assessments shall be paid annually. The initial general assessment shall be the sum of \$150.00, payable semi-annually in the amount of \$75.00 due on or before January 1 of each year, and \$75.00 due on or before July 1 of each year. The first such general assessment shall be due and payable as defined by paragraph 10, Date of Commencement of Assessments, defined below.

5. Special Assessments. In addition to the other assessments authorized herein, the board may levy special assessments in any year; provided, that special assessments allocable to all lots may not exceed THREE HUNDRED DOLLARS (\$300.00) in any one fiscal year. Any special assessment which would cause the amount of special assessments allocable to any lot to exceed this limitation shall be effective only if approved by a majority of the total association votes entitled to vote thereon. For so long as the declarant has an option unilaterally to subject additional property to this declaration, as provided herein, the consent of declarant shall be required with respect to any special assessment. Special assessments shall be paid as determined by the board, and the board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

6. Specific Assessments. The board shall have the power to specifically assess individual lots, or fewer than all of the lots, for specific expenses attributable to fewer than all of the lots, or unequally impacting the lots, as the board shall in its reasonable discretion deem appropriate. Failure of the board to exercise its authority under this section shall not be grounds for any action against the association or the board and shall not

constitute a waiver of the board's right to exercise its authority under this section in the future with respect to any expenses, including any expense for which the board has not previously exercised its authority under this section. The board may specifically assess lots for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the association as provided herein:

a. Expenses of the association which benefit fewer than all of the lots may be specifically assessed equitably among all of the lots which are benefitted according to the benefit received; and

b. Expenses of the association which benefit all lots, but which do not provide an equal benefit to all lots, may be specifically assessed equitably among all lots according to the benefit received.

7. Lien for Assessments. All assessments, together with late charge, interest at a rate equal to the lesser of eighteen (18%) percent or the maximum lawful rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and a continuing lien until paid upon the lot against which each assessment is made. The lien hereby declared shall be superior to all other liens and encumbrances on such property, except for (a) liens of ad valorem taxes; and (b) liens for all sums unpaid on a mortgage and on any mortgage to declarant duly recorded in the Probate Office of Baldwin County, Alabama, and all amounts advanced pursuant to such mortgage and secured thereby in accordance with its terms. All other persons acquiring liens or encumbrances on any property subject to this declaration after this declaration shall have 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. Personal Obligation for Assessments. Every assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of both the owner and the occupant of the lot at the time the assessment fell due. Each owner and occupant shall be personally liable for his or her portion of each assessment falling due while he or she is the owner or occupant of a lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any mortgage holder

taking title through foreclosure proceedings or deed in lieu of foreclosure.

9. Remedies of Association for Nonpayment of Assessments. Any assessments which are not paid in full by the date specified by the board shall be delinquent. Any assessment delinquent for a period of more than thirty days shall incur a late charge in such amount as the board may from time to time determine. If the assessment is not paid when due, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after ninety days, the association may, as the board shall determine, institute suit to collect such amounts and to foreclose its lien. Each owner or occupant, by acceptance of a deed or lease or as a party to any other type of a conveyance, vests in the association and its agents the right and power to bring all actions against them personally for the collection of such charges as a debt, or to foreclose the aforesaid lien in the same manner as other liens for improvements to real property. The lien provided for in this article shall be in favor of the association and shall be for the benefit of all other owners. The association, acting through the board and on behalf of the owners, shall have the power to bid at any foreclosure sale or to acquire, hold, lease, mortgage, or convey foreclosed property. No owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitations, by non-use of common property, or abandonment of the lot. No diminution or abatement of assessment or set-off shall be claimed or allowed by reasons of any alleged failure of the association or board to take some action or perform some function required to be taken or performed by the association or board under this declaration, the articles of incorporation or the by-laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the association, or from any action taken to comply with any law, ordinance, or with any order or directive, of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each owner. All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent assessments. The board or its designee may compile a list of owners who are delinquent in the payment of any assessment to the association, which list may indicate, without limitation, the lot, owner, occupant and delinquent amount. Such list may be posted in a prominent place within the subdivision and/or be placed in a

newspaper or newsletter published by the board, after the board has consulted with legal counsel regarding the specific form and content of such list.

10. Date of Commencement of Assessments. A lot shall become subject to assessment hereunder on the first day of the month following the month in which such lot is no longer owned by declarant, whichever first occurs. The first general assessment against each lot shall be adjusted pro rata according to the number of months remaining in the fiscal year during which the lot became subject to assessment. The fiscal year begins on January 1 of each year and ends on December 31 of each year. All assessments are to be prepaid one (1) year in advance and are to be billed on or before January 1 of each year. A payment is delinquent if it is not received within thirty (30) days of the billing date subject to all enforcement actions contained in these Declaration of Protective Covenants.

11. Assessment Obligation of Declarant; Subsidy Agreements. The board is specifically authorized to enter into subsidiary contracts with declarant or other entities for the payment of all or some portion of the association expenses. Such contract or contracts shall be for the benefit of and enforceable by the association and its members.

12. Contributions in Kind by Declarant in Lieu of Payments. Notwithstanding anything to the contrary herein, the Declarant may contribute any assessments which may be due from it in services or materials or, a combination of services and materials rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the declarant and the board agree as to the value of any contribution, the value shall be as so agreed. If the board and the declarant cannot agree as to the value of any contribution, the declarant shall supply the board with a detailed explanation of the service performed and material furnished, and the board shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the declarant who are in the business of providing such services and materials. If the board and the declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

13. Property Exempt from Assessments. The following property shall be exempt from general assessments and special assessments;

- a. All common areas;
- b. All property dedicated to and accepted by any governmental authority or public utility; and
- c. All lots owned by the declarant, its successors or assigns, for the first five years from the date these covenants are filed of record or the date the Class B membership in the association shall cease, whichever first occurs.

ARTICLE FIVE
COMMON AREA MAINTENANCE
CONVEYANCE OF COMMON PROPERTY TO ASSOCIATION

1. Conveyance of Common Property by Declarant to Association. The declarant may transfer or convey to the association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest which is or may be subjected to the terms of this declaration. Such conveyance shall be accepted by the association, and the property so conveyed shall thereafter be common property to be maintained by the association. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this section.
2. Association's Required Maintenance Responsibility. The association shall maintain and keep in good repair the common property. Such maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the common property. In addition, if the following property exists in the community, the association may, as determined by the board, maintain part or all of such property, regardless of whether it is common property: grass and other landscaping along dedicated rights-of-way; sedimentation or retention ponds, and community entrance features.
3. Association's Optional Maintenance Responsibility. The association shall also have the right, but not the obligation to maintain and provide services for other property not owned by the association, whether located within or without the boundaries of the community, and to enter into easements and covenants to share costs agreements regarding such property (and any other property) in such instances as the board has determined such to be of benefit to the owners. Such maintenance and provision of services may, without limitation, include maintenance of property within a particular area of the community if so required pursuant to a

supplementary declaration executed by declarant or pursuant to a contract entered into by the association.

4. Assessment of Costs. The foregoing maintenance costs shall be assessed as a part of the general, special or specific assessments, as determined by the board in accordance with this declaration.

5. Owner/Occupant's Maintenance Responsibility. Each owner shall maintain or cause to be maintained in a safe, clean, and attractive condition all property subject to this declaration which is owned directly or indirectly by such owner in a manner consistent with this declaration and according to the minimum standards set forth in this paragraph which shall be maintained throughout the subdivision. Such maintenance obligation shall include, without limitation, the following: prompt removal of all litter, trash, refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, exterior lighting, and maintenance facilities in good repair and working order; keeping lawn and garden areas alive, free of weeds, and attractive; keeping driveways in good repair; complying with all governmental health and police requirements; and, repair of exterior damages to improvements.

6. Remedies of Association Regarding Owner/Occupant's Responsibility. In the event that the board determines that (a) any owner or occupant has failed or refused to discharge properly their obligations with regard to the maintenance, repair, or replacement of items for which they are responsible hereunder; or (b) that the need for maintenance, repair, or replacement which is the responsibility of the association hereunder, is caused through the willful or negligent act of an owner or occupant, his or her family, guests, lessees, invitees, or designee, and is not covered or paid for by insurance, in whole or in part, the association may perform the repair, replacement or maintenance and shall, except in the event of an emergency situation, give the owner or occupant written notice of the association's intent to provide such necessary maintenance, repair, or replacement, at the owner's or occupant's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The owner or occupant shall have ten (10) days within which to complete such maintenance, repair, or replacements, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work, which shall then be completed within a reasonable time. If any owner does not comply with the provisions of this paragraph, the association may provide any such maintenance, repair or replacement at owner's sole cost and expense, and all such costs

shall be treated as a specific assessment against the owner and the property owned by the owner or occupied by the occupant.

ARTICLE SIX USE RESTRICTIONS AND RULES

1. In General. This Article, beginning at Section 2, sets out certain use restrictions which must be complied with by all owners and occupants. These use restrictions may only be amended in the manner provided herein regarding amendment of this declaration. In addition, the board may, from time to time, without consent of the members, promulgate, modify, or rescind other use restrictions and rules and regulations applicable to the subdivision. This authority shall include, but shall not be limited to, the right to limit the type and size of vehicles within the subdivision, to impose allowable traffic and parking regulations and to restrict the maximum noise levels of vehicles in the subdivision. Such use restrictions and 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, cancelled, or modified in a regular or special meeting by a majority of the total association vote entitled to vote thereon, and the concurring vote of the class B member the declarant. Furthermore, the declarant has an option unilaterally to subject additional property to this declaration as provided herein, the consent of declarant.

2. Residential Use Only - No Business. All lots shall be used for single-family residential purposes exclusively. NO BUSINESS OR BUSINESS ACTIVITY SHALL BE CARRIED ON IN OR UPON ANY LOT AT ANY TIME EXCEPT WITH THE WRITTEN APPROVAL OF THE COMMITTEE. Leasing of a lot shall not be considered a business or business activity. The board may permit a lot to be used for business purposes so long as such business, in the sole discretion of the board, does not otherwise violate the provisions of the declaration or by-laws, does not create a disturbance, and does not unduly increase traffic flow or parking congestion. The board may issue rules regarding permitted business activities. The use of a model home and/or sales office by declarant is permitted.

3. Architectural Standards - Architectural Committee - Initial Committee. No exterior construction, excavation, alterations, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the subdivision, except such as is installed by the declarant, or as is approved in accordance with this section, or as is otherwise expressly permitted herein. No exterior construction, excavation, addition,

erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, color, and location shall have been submitted in writing to and approved by an Architectural Committee established by the board. The board may divide the Architectural Committee into two (2) subcommittees, with one (1) subcommittee having jurisdiction over modifications and the other having jurisdiction over new construction. The board may employ for the Architectural Committee architects, engineers, or other persons necessary to enable the committee to perform its review. The Architectural Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons, which shall have full authority to act on behalf of the committee for all matters delegated. Written design guidelines and procedures shall be promulgated for the exercise of this review, which guidelines may provide for a review fee. The initial design guidelines and procedures are attached hereto as Exhibit "A" with Exhibits 1-5.

The Initial Committee shall be established by the Managing Members of Seho Development, L.L.C. Once the Initial Architectural Committee is appointed, it shall serve until such time as the Managing Partner of Seho Development, L.L.C. shall determine it is feasible and in the best interest of the development that the duties and responsibilities of the Architectural Committee shall be turned over to the Property Owners Association, which will have been formed for the enforcement of all of these Declarations, including the continual operation of the Architectural Committee.

The Initial Architectural Committee shall consist of Sonny Nichols, Claudene Nichols, Lora Hotard, and Kimberly Hall. Any two of the Architectural Committee may make final decisions on behalf of the Committee. If any of the above individuals resign or leave the employment of Prudential Nichols Real Estate Sales, then that vacancy shall be filled by Sonny and Claudene Nichols, who will assign someone to fill the position. Said Committee members shall serve on a permanent basis until said Architectural Committee is turned over to the Property Owner's Association, at which time the Property Owner's Association may determine the length of terms that individuals may serve on said Architectural Committee but cannot disband said Architectural Committee without a 50% vote of the membership and the consent of the "declarant" Rex A. "Sonny" Nichols.

4. Enforcement of Architectural Standards. The Architectural Committee reserves the right to modify and/or change requirements as necessary and/or advisable. The Architectural

Committee shall be the sole arbiter of the plans submitted and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the association, in the event of noncompliance with this section, the board may record in the Probate Office of Baldwin County a notice of violation naming the violating owner and/or proceed with legal action if necessary against the offender. In that event, the offender shall be responsible for all reasonable attorney's fees and costs incurred by the Committee.

5. Automatic Approval if Architectural Committee Fails to Act. In the event that the Architectural Committee fails to approve or to disapprove submitted plans and specifications in writing within sixty days after the plans and specifications have been submitted, approval will not be required, and this section will be deemed to have been fully complied with. Provided the person submitting the plans, shall submit a written certified mail letter to the Committee at least fifteen (15) days prior to the expiration of said sixty (60) days. A copy of said suggested letter is as follows:

TO: Seho Development Architectural Committee
6351 Monroe Street
Daphne, Alabama 36526

Re: Plans submitted for approval on _____
concerning Lot _____

Dear SDAC:

Upon 15 days from your receipt of this letter, I shall deem approved the plans I submitted above since I have not heard back from the Committee and I will begin construction accordingly.

Please advise immediately if the plans are not approved.

Sincerely,

As a condition of approval under this section, an owner, on behalf of himself and his successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance on any change, modification, addition or alteration. In the discretion of the Architectural Committee, an owner may be required to verify such condition of approval by a recordable written instrument acknowledged by such owner on behalf of himself and his successors-in-interest.

6. Disclaimer of Architectural Committee's Responsibility. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Architectural Committee, the members thereof, nor the association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications. The declarant, the association, the Architectural Committee, the board, the officers, directors, members, employees, and agents of any of them shall not be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any owner, occupant, lessee, mortgagee, guest or invitee of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every owner agrees that he will not bring any action or suit against declarant, the association, the Architectural Committee, the board, or the officers, directors, members, employees, and agents of any of them to recover any such damages and hereby releases, remises, quitclaims, and covenants not to sue for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance, and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given. Any of the parties released hereunder shall be entitled to recover all reasonable attorneys' fees and expenses if owner or occupant breaches this paragraph by bringing such suit.

7. Signs. No sign of any kind shall be displayed to public view on any lot except one professionally lettered sign not more than three (3) square feet in size, which said size shall not exceed 24 inches tall X 18 inches wide, with a rounded top, which may advertise the property for sale or rent; except during the construction period, an additional sign may be erected by the builder and a security service sign shall also be allowed when applicable. Furthermore, no signs shall be erected or maintained on the property or on any lot at any time by anyone, including

without limitation, a property owner, realtor, contractor or subcontractor, except the following approved signs: (1) one (1) "For Sale" or "For Rent" sign; (2) one (1) sign for a contractor displayed during construction for a maximum of twelve (12) months or until completion of construction, whichever shall first occur; (3) a sign which must be posted as a result of legal proceedings pursuant to a statute or court order; or (4) a sign which has been specifically approved in writing by the Developer. The Developer reserves the right to restrict the size, color, content, location, number and method of display of each approved sign. All approved signs shall not exceed three (3) square feet in size and shall have a white background with blue lettering on a white wooden stake. The blue lettering shall be PMS 300 Blue, which is the same blue being used by Prudential Nichols Real Estate. All "For Sale" or "For Rent" signs shall contain only the lot number, real estate company (or individual agent if desired) and telephone number, and shall have a rounded top. All contractor signs shall contain only the lot number, name of owners, the general contractor, and telephone number. Signs must be placed parallel to the street and may not be displayed from the interior of any dwelling unit, building, or other improvement so as to be visible from the exterior. A sample of said acceptable sign is attached hereto and marked as Exhibit "4" - Signs.

Nothing contained herein dealing with signs shall override any local, municipal, or city sign ordinances, and all signs within this development must comply fully and completely with any municipal or city sign ordinances, not only in effect at the time this development started, but any amendments or changes to any municipal or city ordinances shall apply to this development. However, in the event the sign restrictions within this development are more restrictive than municipal or city ordinances applicable to said subdivision, then these restrictions contained herein shall apply.

8. Vehicles. The term "vehicles", as used herein, shall include, without limitation, motor homes boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans and automobiles.

9. Garages. Where the lot contains a garage, "parking areas" shall refer to the number of garage parking spaces. All residences shall contain a double garage; carports shall not be permitted. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage. Front entry garages will only be permitted on Lots 1 through 14. Lots 15 through 36 will have garages located on the rear of the residence.

If there shall ever be any dispute as to the meaning of this, any disputes shall be finalized by the Architectural Committee.

10. Parking. Unless and except to the extent that the occupants of a lot shall have more vehicles than the number of parking areas serving their lot, all vehicles shall be parked within parking areas. No vehicle may be left upon any portion of the subdivision, except in a garage or other area designated by the board, for a period longer than five (5) days if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five (5) day period, such vehicle shall be considered a nuisance and may be removed from the subdivision. Any towed vehicle, boat recreational vehicle, motor home, or mobile home regularly stored in the subdivision or temporarily kept in the subdivision for periods longer than twenty-four (24) hours, unless kept in a garage or other area designated by the board, shall be considered a nuisance and may be removed from the subdivision. Trucks with mounted campers which are an owner's or occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view when not in use. Any costs incurred by Sehoj Development, L.L.C. to enforce any part of this paragraph, shall be subject to paragraph 7, Lien for Assessment, and collection procedures as stated therein.

11. Motorized Vehicles to Operate Only on Roadways. No motorized vehicles shall be permitted on pathways or unpaved common property except for public safety vehicles and vehicles authorized by the board.

12. Leasing. Homes or lots may be leased for residential purposes. All leases shall have a minimum term of six (6) months. 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 (herein called "occupant") to comply with the foregoing and shall provide that in the event of noncompliance, the board, in addition to any other remedies available to it, may evict the tenant (occupant) on behalf of the owner, and specifically assess all costs associated therewith against the owner and the owner's property.

13. Occupants Bound. All provisions of the declaration, by-laws, and any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of owners and which provide for sanctions against owners shall also

apply to all occupants even though occupants are not specifically mentioned. Fines may be levied against owners or occupants. If a fine or assessment is first levied against an occupant and is not paid timely, the same may then be levied against the owner.

14. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the board; provided, however, those pets which are permitted to roam free, or in the sole discretion of the board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the owners or occupants or the owner of any property located adjacent to the community may be removed by the board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall, at all times when outside a lot, be on a leash or otherwise confined in a manner acceptable to the board. Without prejudice to the board's right to remove any such household pets, no household pet that has caused damages or injury may be walked in the community. Animal control authorities shall be permitted to enter the community to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. Furthermore, all residents agree to abide by any Baldwin County and City of Daphne leash laws.

15. 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 lot 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 omit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the 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 things 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, shall be located, installed or maintained upon the exterior of any lot unless required by law.

16. Unsightly or unkempt conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the community.

17. Antennas. No exterior antennas of any kind shall be placed, allowed, or maintained upon any portion of the community, including any lot, without the prior written consent of the board or its designee. No free standing antennas whatsoever shall be placed on any lot including, without limitation, satellite dishes, however, the board reserves the right to (but shall not be obligated to) erect a master antenna, satellite dish or other similar master system for the benefit of the entire community. The board or its designee may approve the installation of radio and TV antennas which do not protrude above the roof line of the lot at its highest point and are not visible from the street in front of the lot, each owner and occupant acknowledges that this provision benefits all owners and occupants and each owner and occupant agrees to comply with this provision despite the fact that the erection of any outdoor antenna or similar device may be the most cost-effective way to transmit or receive the signals to be transmitted or received.

18. Tree Removal. No trees shall be removed without the express consent of the board or its designee, except for (a) diseased or dead trees; (b) trees needing to be removed to promote the growth of other trees; or (c) trees needing to be removed for safety reasons. Furthermore, the City of Daphne has tree removal ordinances and nothing contained herein is designed to override any City of Daphne tree removal ordinances, and any of the City of Daphne tree removal ordinances currently in existence or amended in the future, shall also pertain and apply to this development.

19. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No owner or occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across all community property for the purpose of altering drainage and water flow. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property. Reasonable steps shall be taken to protect such property, and damage shall be repaired by the persons causing the damage at their sole expense.

20. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this could create a traffic or sight problem.

21. Clotheslines, Garbage Cans, Woodpiles, Etc. No outside clotheslines will be allowed. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste material shall not be kept on any lot except in sanitary containers. All garbage cans and other equipment for the storage or disposal of such material shall be kept in a clean, sanitary condition. All garbage cans, woodpiles, swimming pool pumps, filters and related equipment, air conditioning compressors and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property with the same screening material that will be on the front or sides of the house. The Developer prefers that all garbage cans be kept in garage, except on garbage pick up days. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Declarant, however, hereby expressly reserves the right to dump and bury rocks and trees on property within the subdivision as needed for efficient construction and to allow developers and builders within the subdivision to bury rocks and trees removed from a building site on such building site. Trash, garbage, debris, or other waste matter of any kind may not be burned within the community.

22. Subdivision of Lots. No lot shall be subdivided or its boundary lines changed except with the prior written approval of the board or its designee. Declarant, however, hereby expressly reserves the right to replat any lot or lots owned by declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

23. Firearms. The use of firearms in the community is prohibited. The term "firearms" includes "BB" guns, pellet guns, and firearms of all types.

24. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the subdivision, including any lot, without the prior written consent of the board or its designee. The board or its designee may issue guidelines detailing acceptable fence styles or specifications, but in no event may a hog wire or barbed wire fence or chain link be approved. No fences are allowed at the front or sides, beginning at the rear corner of the house and going towards the street. Specifically, corner fences cannot extend past the

rear corner of the house. There shall be further fencing requirements established by the Architectural Committee and designated as a fencing supplement which may be obtained from the Architectural Committee.

25. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the subdivision, except for temporary lines as required during construction and lines installed by or at the request of declarant. All utility lines shall be underground.

26. Air-Conditioning Units. Except as may be permitted by the board or its designee, no window air conditioning units may be installed.

27. Lighting. Except for approval lighting as originally installed on a lot, exterior lighting visible from the street shall not be permitted, except for (a) one decorative post light; (b) a street light in conformity with an established street-lighting program for the subdivision; (c) seasonal decorative lights at Christmas; (d) front house illumination; or (e) such other lighting as may be approved by the board of its designee. Indirect lighting of trees, shrubbery, and sidewalks are encouraged on the main boulevard, but still need to be first approved by the Architectural Committee. Furthermore, this lighting is not to be too bright so as to interfere with neighbor's privacy rights.

28. Artificial Vegetation, Exterior Sculpture, Garbage Cans, and Similar Items. No artificial vegetation shall be permitted on the exterior of any house or other part of a lot. Exterior sculpture, fountains, flags, and similar items must be approved by the board or its designee. All garbage cans are required to be fenced, screened, out of sight, or located in the garage of all dwellings.

29. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the board or its designee.

30. Above Ground Swimming Pools. Above ground swimming pools are prohibited.

31. Exteriors. All construction is to be of a brick or stucco nature, except as may be permitted by the board or its designee. Wood siding or Hardy Board that is installed parallel to the ground lap siding type installation with brick skirting along

the foundation is acceptable upon approval from the Architectural Control Committee. The exterior of all improvements must be repainted in a color used in the original construction of lots within the community, or other suitable acceptable colors. All colors to be used on any exterior buildings must first be approved by the Architectural Committee, and no extreme colors shall be allowed. A definition of extreme colors shall be as determined by the Architectural Committee. All brick or other approved siding shall extend to the ground, and siding accents are limited no more than 25% of the total area of the outside walls.

32. Window Coverings. The portion of all window coverings visible from the exterior of any lot shall be white or off-white unless otherwise prior approved by the board or its designee.

33. Line Up of Front Entrance and Driveways. All residential structures shall have their front entrance facing the front street lot line. All driveway and parking areas shall be surfaced with concrete, brick pavers, or similarly approved materials. All driveways with 80% of its width located within 10 feet of a property line must be provided with a 2 foot wide sodded area from the driveway edge to the adjacent property. A minimum 2 foot wide sodded area is required. The sodded area shall extend from the sidewalk at the street to the back line of the house. All driveways shall be a minimum of 9 feet wide.

34. Minimum Square Footage. On all lots, except as stated below in paragraph 34(b), the ground floor area of the main building or structure, exclusive of one story open porches and garages, shall contain no less than 1,500 square feet in the case of a one story building or structure, and no less than 1,100 square feet in the case of a two story building or structure, unless otherwise approved in writing by the Architectural Committee. For purpose of this paragraph, basement floor or other area beneath the ground surface and/or an attic shall not be included in computing the designated minimum square footage.

35. Setbacks. No building shall be located on any lot nearer than 25 feet from the front and 25 feet from the rear lot line. No building shall be located nearer than 6 feet from any side lot line unless otherwise approved by the Architectural Committee. All setbacks shall be subject to the zoning ordinances of the City of Daphne which may be more restrictive.

36. Prohibited Materials. No asbestos shingles or concrete blocks shall be used on the exterior of any building or structure on any of the lots unless otherwise approved in writing by the

Architectural Committee or any environmental materials thought to be unsafe for family households.

37. Air-conditioner Condensers, Heat Pumps, etc. No air-conditioning or heating unit, blower, tower, condenser, water well or structure related thereto shall be erected, placed, constructed or permitted to remain between the side of any building or structure and the side lot line on which such building or structure is located unless the same are properly enclosed in conformity with the general architecture of the primary residential building or structure. The Architectural Committee prefers that all air conditioning units be in the rear of homes.

38. Sidewalks and Driveways. Each lot owner shall build a sidewalk located in conformity with the master plan of the subdivision as determined by the Architectural Committee and as required by the City of Daphne. All driveways shall be constructed of concrete, shall be a minimum of 9 feet in width and shall have an apron at the street.

39. Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind whatsoever shall be permitted upon any lot, nor shall oil wells, derricks, tanks, tunnels, mineral excavations, or shafts be erected or permitted to remain upon any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected or permitted to remain on any lot.

40. Mailboxes. Mailboxes and house numbering graphics will be a standard design throughout the community. The design and location will be provided by the developer and are contained within the Architectural Committee requirements, and are marked as an exhibit to said requirement. It is the developer's intent that mailboxes be paired and placed on the center lot line between lots 1 and 2, lots 3 and 4, lots 5 and 6, etc., subject to mail service approval.

41. Landscaping. At the same time home plans are submitted, a landscaping plan for the residential lot shall be submitted to the Architectural Committee for approval and unless otherwise approved in writing by said committee, the cost of the shrubbery and grass shall be in excess of \$1,500.00. All grassing and surface drainage from the lot line to the edge of right-of-way pavement will be the responsibility of each lot owner. The Developer would prefer sprinkler systems be installed on all lots.

42. Large or Unsightly Vehicles. No commercial vehicles, construction or like equipment, or mobile or stationary trailers of

any kind shall be permitted on any lot unless first approved by the Architectural Committee and kept in a garage completely enclosed.

43. Lawn Items. Swing set and playground type equipment must meet the following restrictions:

a. All swing sets and play structures must be approved in advance by the Architectural Committee.

b. All swing sets and play structures must be constructed of "heavy wooden timbers", stone, brick, ornamental wrought iron or stucco. All finishes must be approved in advance.

c. All swing sets and play structures must be "earth tone" or "neutral" in color.

d. All swing sets and play structures must be placed in an inconspicuous location, which shall be in the backyard of the premises. The proposed location must be shown on the site plan, and approved by the Architectural Committee in advance.

e. The overall size and height must be approved in advance by the Architectural Committee. There **will not** be a prior approved "nominal" size of any play structures. Sizes will be approved on an individual basis, with attention paid to:

1. size, height and mass of the owners' residence;
2. size and configuration of the owners' lot; and
3. size, height and mass of adjoining properties.

Below-ground play houses, etc. will be approved on an individual basis. Treehouses, platforms, and the like will not be allowed.

44. Junk Vehicles, etc. No person shall leave any partially dismantled, nonoperating, wrecked or junked vehicle, or parts thereof, on any street or lot within the community. No person in charge or control of any property within the community, whether as owner, tenant, occupant, lessee or otherwise, shall allow any partially dismantled, nonoperating, wrecked, junked or discarded vehicle, or parts thereof, to remain on such property.

45. Timesharing. Timesharing shall be prohibited in the community. The term "timesharing" shall include, without limitation, timeshare estate, timeshare use, and timeshare interval programs.

46. Future Additions. All future additions or improvements to any structures located within the development shall first be presented by review for the Architectural Committee subject to the Architectural Committee requirements prior to the beginning of any construction.

47. No Duplicate Exterior Home Plans. No exterior home plans shall be built by any builder, developer, or individual within the subdivision more than two times. Furthermore, the second building of the same home plan shall not be within a reasonable distance of the prior home plan. Reasonable distance shall be interpreted by the Architectural Committee, whose decision shall be final. If a home plan is built a second time, there does need to be significant changes, such as the color, exterior, product, and/or other items that will significantly change the look of the house. Furthermore, if a home plan is simply reversed, as is common practice, that reversed home plan shall count as the second home of the same home plan within the development. If the front elevation of the home plan is not significantly different, and only has minor changes, it will not be approved by the Architectural Committee, and its decision shall be final.

ARTICLE SEVEN INSURANCE AND CASUALTY LOSSES

1. Casualty and Liability Insurance. The board may obtain such casualty and liability insurance with such terms and conditions as it deems prudent relating to the common property and the governance or administration of the association, including coverage for the board. This Article shall not apply to casualty insurance unless there is sufficient insurable property to justify purchasing such insurance in the sole discretion of the board.

2. Worker's Compensation Insurance. In addition to other insurance coverage required by this section, the board may obtain worker compensation insurance, if and to the extent necessary to satisfy the requirements of applicable law. Builder shall have liability insurance and worker's compensation insurance on all construction workers employed by Builder in any way, including all subcontractors. If the owner of the property shall act as his own builder, said owner shall also be subject to this requirement.

3. Fidelity Bonds. If available at reasonable cost, as determined in the sole discretion of the board, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the association's funds. The amount of fidelity coverage, if obtained, shall be determined in the directors' best business judgment. Fidelity bonds, if obtained shall contain a

waiver of all defenses based upon the exclusion of persons serving without compensation and shall not be subject to cancellation or substantial modification without at least ten (10) days prior written notice to the Association.

4. Other Insurance. Construction code endorsements, steam boiler coverage, and flood insurance shall be obtained, if and to the extent available, as necessary to satisfy the requirements of the Federal National Mortgage Association or any other national lender.

5. Deductibles. The deductible for any casualty insurance policy carried by the association shall, in the event of damage or destruction, be allocated among the persons who are responsible for the damage under law or under any declaration or contract requiring the association to obtain such insurance.

6. Provisions Applicable to All Insurance on Common Areas. Premiums for all insurance pertaining to common areas shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. All such insurance coverage obtained by the board of directors shall be written in the name of the association, as trustee, for the respective benefitted parties. Such insurance shall comply with the following requirements:

a. All policies shall be issued by a company licensed to do business in Alabama and holding a rating of "B" or better as established by A.M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

b. Exclusive authority to adjust losses under policies obtained by the association shall be vested in the association's board of directors; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

c. In no event shall the insurance coverage obtained and maintained by the association be brought into contribution with insurance purchased by individual owners, occupants, or their mortgagees, and the insurance carried by the association shall be primary.

d. All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be

reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in Baldwin County.

e. The association's board of directors are reminded to make reasonable effort to secure insurance policies that will provide for the following:

i. a waiver of subrogation by the insurer as to any claims against the association's board of directors, its manager, the owners and their respective tenants, servants, agents, and guests;

ii. a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

iii. that no policy may be cancelled, invalidated, or suspended on account of any one or more individual owners;

iv. that no policy may be cancelled, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the association or its duly authorized manager without prior demand in writing delivered to the association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the association, its manager or any owner or mortgagee;

v. that any "other insurance" clause in any policy exclude individual owners' policies from consideration; and

vi. that no policy may be cancelled or substantially modified without at least ten (10) days prior written notice to the association.

7. Lots and Owners' Interests Not Covered by Association. This declaration does not obligate the association to purchase casualty insurance to cover lots nor does it obligate the association to provide liability insurance to cover owners in their individual capacities.

8. Association Property - Damage and Repair. Immediately after the damage or destruction of association property by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the association, the board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the

damage or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

9. Association Property - Repair and Reconstruction. Any damage or destruction of association property shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five (75%) percent of the total association vote entitled to vote thereon and, so long as the declarant has an option unilaterally to subject additional property to this declaration, the declarant, otherwise agree. If, for any reason, either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one hundred twenty (120) days. No mortgagee shall have the right to participate in the determination of whether damage or destruction to association property shall be repaired or reconstructed.

10. Association Property - Coverage Shortfalls. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the board shall, without the necessity of a vote of the association's member, levy a special assessment against all owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction, or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the association.

11. Procedure if Damage to Association Property Not Repaired. In the event that it should be determined by the association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then, and in that event, the property shall be restored to its natural state and maintained as an undeveloped portion of the subdivision in a neat and attractive condition.

12. Owners' Property - Insurance, Damage, Repair and Cleanup. By virtue of taking title to property within the subdivision, each owner covenants and agrees with all other owners and with the association that each individual owner shall carry liability and casualty insurance. Each individual owner further covenants and agrees that in the event of a partial loss or damage and

destruction resulting in less than total destruction, the individual owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event at the structure is totally destroyed and the individual owner determines not to rebuild or to reconstruct, the individual owner shall clear the lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

ARTICLE EIGHT CONDEMNATION

Whenever all or any part of the common property shall be taken or conveyed in lieu of and under threat of condemnation by the board, action on its behalf or on the written direction of all owners subject to the taking (if any) by any authority having the power of condemnation or eminent domain, the Association as trustee for all owners. The provisions of Article Seven, Section 2, above, applicable to common property improvements damage or destruction, shall govern replacement or restitution and the actions to be taken in the event that the improvements are not restored and replaced.

ARTICLE NINE MORTGAGEE PROVISIONS

1. In General. The following provisions are for the benefit of holders of mortgages on lots in the subdivision. The provisions of this article apply to both this declaration and to the by-laws, notwithstanding any other provisions contained therein. Nothing contained in this article shall be construed to reduce the percentage vote that must otherwise be obtained under the declaration, by-laws or Alabama law for any of the acts set out in this article.

2. Notices of Action. An institutional holder, insurer, or guarantor of a mortgage, who provides written request to the association (such request to state the name and address of such holder, insurer, guarantor and the lot number, 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 subdivision or which affects any lot 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 an owner of a lot subject to the mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first mortgage, upon request, is entitled to written notice from the association of any default in the performance by an owner of a lot of any obligation under the declaration or by-laws of the association 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.

3. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing, unless at least two-thirds (2/3) of the total association vote entitled to vote thereon consent, the association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common property which the association owns directly or indirectly; but the granting of easements for public utilities or other similar purposes consistent with the intended use of the common property shall not be deemed a transfer within the meaning of this subsection;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an owner of a lot; but a decision, including contracts, by the board of provisions of any supplementary declaration regarding assessments for parcels or other similar areas shall not be subject to this provision where such decision or supplementary declaration is otherwise authorized by this declaration;

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of lots and of the common property; but the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision;

(d) fail to maintain insurance, as required by this declaration; or

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

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

5. 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 a mortgagee of any lot in the case of distribution to such owner of insurance proceeds or condemnation awards for losses to or a taking of the common property.

6. Owners Required to Notify Association of Mortgages. 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 lot.

7. Amendment by Committee to Conform to Mortgagee Requirements. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this article or make any such requirements less stringent, the board, without approval of the owners, may cause an amendment to this article to be recorded to reflect such change(s).

8. Failure of Mortgagee to Respond. Any mortgagee, or insurer or guarantor of a mortgage, who receives a written request from the board to respond or consent to any action shall be deemed to have approved such action if the association does not receive a written response from the person or entity so contacted within thirty days of the date of the association's request.

ARTICLE TEN

COMMON, RECIPROCAL AND DEVELOPER'S EASEMENTS

1. General Easements for Use and Enjoyment of Common Property. Every member shall have a right and easement of ingress and egress, use and enjoyment in and to the common property which shall be appurtenant to and shall pass with the title to his property, subject to the following provisions:

(a) the right of the board to limit the number of guests who may use the common property, to allow persons who are not members of the association, such as persons living or working in the vicinity of the subdivision, to use the common property on a regular or temporary basis and to charge or not charge a use fee therefor, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an owner, his family, tenants, guests, occupants, and invites;

(b) the right of the board to suspend the voting rights of owners and occupants and the right of an owner and occupant to use the common property recreational facilities in the subdivisions, if any, for any period during which any assessment which is hereby provided for remains unpaid; and, for a reasonable period of time for an infraction of the declaration, by-laws, use restrictions, rules and regulations or design guidelines;

(c) the right of the board to dedicate or transfer all or any portion of the common property subject to such conditions as may be agreed to by the owners. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by a least a majority of the association vote present, in person or by proxy, at a meeting duly called for such purpose (or, if a meeting is not called, upon the affirmative vote of a least a majority of the votes cast in a referendum on the issue) and, so long as the declarant has an option unilaterally to subject additional property to this declaration, by the declarant.

(d) An owner's right of use and enjoyment in and to the common property and facilities located thereon shall not give any owner the right of ingress or egress across any lot to obtain access to such common property.

2. Reserved Easements for the Provision of Services. There is hereby reserved to the declarant, its successors and assigns, blanket easements upon, across, above and under all property within the subdivision for access, ingress, egress, installation, repairing, replacing, maintaining, and removing rights-of-way, drainage facilities, floodway easements, and all sanitary sewer, telephone and electricity, and any other similar service such as, but not limited to, a master television antenna system, cable television system or video system which the declarant might decide to have installed to serve the subdivision or any portion thereof. It shall be expressly permissible for the declarant and its successors and assigns to install, repair or removal of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Declarant and its successors and

assigns shall have full rights of ingress and egress at all times over all portions of the subdivision for the installation, operation, maintenance, repair, or removal of any of the foregoing utilities or services and shall have the right to remove any unauthorized obstruction placed in or on any of the foregoing easements that the above easements, or with the use, maintenance, operation, or installation of the foregoing easements. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies, quasi-public service companies, or relevant governmental authorities. All utilities installed under the above described agreement shall be installed underground. This reserved easement may be assigned by declarant by written instrument to the association, and the association shall accept such assignment upon such terms and conditions as are acceptable to declarant. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property. Reasonable steps shall be taken to protect such property, and damage shall be repaired by the person causing the damage at its sole expense.

3. Easement for Entry. In addition to the right of the board to exercise self-help as provided herein, the board shall have the right, but shall not be obligated, to enter upon any property within the subdivision for emergency, security, and safety, which right may be exercised by the manager, and all policeman, fireman, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the owner, and the entering party shall be responsible for any damage caused. It is intended that this right of entry shall include the right of the board to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard in the event an owner or occupant fails or refuses to cure the condition upon request by the board.

ARTICLE ELEVEN EROSION CONTROL

Considerable costs and effect have been put into the protection of the property's natural beauty during the design and construction phases of this development. It is therefore necessary to require that the construction of individual homesites does not adversely impact the environmental integrity of the development.

Immediately prior to any clearing and grubbing or any excavation which could disturb the soils, the builder shall install

the erosion control items in the locations indicated on the construction plans.

The builder will be responsible for identifying and installing erosion control in areas where erosion may be encountered during construction of the home. The builder shall take all necessary precautions to insure that there is no discharge of sediment from the construction site onto adjacent property or into the stormsewer system.

The erosion control items installed shall be maintained by the builder throughout the course of the project.

ARTICLE TWELVE GENERAL PROVISIONS

1. Enforcement. Each owner and every occupant shall comply strictly with the by-laws, the rules and regulations, the use restrictions and with the design guidelines, all as may be amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this declaration, as it may be amended from time to time and in the deed to his or her property within the subdivision, if any. The board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this declaration, the by-laws, the rules and regulations, use restrictions, or design guidelines shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the board, on behalf of the association, or, in a proper case, by an aggrieved owner or occupant. Failure by the board or any owner or occupant to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The board shall have the right to record in the appropriate land records a notice of violation of the declaration, by-laws, rules and regulations, use restrictions, or design guidelines and to assess the cost of recording and removing such notice against the owner who is responsible (or whose occupants are responsible) for violating the foregoing.

2. Self-Help. In addition to any other remedies provided for herein, the board or its duly authorized agent shall have the power to enter upon a lot or any portion of the community to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violate this declaration, the by-laws, the rules and regulations, the use restrictions, or the design guidelines. Except in the case of emergency situations and towing, the board shall give the violating owner ten (10) days written notice of its intent to exercise self-help. All costs of

self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating owner and shall be collected as provided for herein for the collection of assessments.

3. Duration. The provisions of this declaration shall run with and bind the land and shall be and remain in effect perpetually, to the extent permitted by law; provided, however, should any provision of Alabama law now or hereafter in effect limit the period during which covenants restricting land to certain uses may run, any provisions of this declaration affected thereby shall run with and bind the land so long as permitted by such law; and such provisions shall be automatically extended for successive periods of ten (10) years or such shorter period as may be allowed by law, unless such extension is disapproved at a meeting duly called for such purpose by at least a majority of the total association vote (or, if a meeting is not called, upon the affirmative vote of at least a majority of the votes cast in a referendum on the issue) and, so long as the declarant has an option unilaterally to subject additional property to this declaration as provided herein, the consent of declarant. Such meeting or referendum must be recorded within the year immediately preceding the beginning of a renewal period. Every purchaser or grantee of any interest in any real property subject to this declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this declaration may be extended and renewed as provided in this section.

4. Amendment. This declaration may be amended unilaterally at any time and from time to time by declarant: (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance coverage with respect to the lots subject to this declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the lots subject to this declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the lots subject to this declaration; provided, however, any such amendment shall not adversely affect the title to any owner's property unless any such owner shall consent thereto in writing. Further, so long as declarant has the right unilaterally to subject additional property to this declaration as provided herein, declarant may unilaterally amend this declaration for any other purpose; provided, however,

any such amendment shall not materially or adversely affect the substantive rights of any owner or occupant hereunder, nor shall it adversely affect title to the property of any owner without the consent of the affected owner or occupant.

5. Amendments. In addition to the above, this declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the total association vote entitled to vote thereon and, so long as the declarant has an option unilaterally to subject additional property to this declaration as provided herein, the consent of the declarant. A meeting may be called (but shall not be required to be called) to consider and vote upon any amendment. Amendments to this declaration shall become effective upon recordation, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation. In no event shall a change of condition or circumstances operate to amend any provision of the declaration or by-laws.

6. Partition. The common property shall remain undivided, and no owner nor any other person shall bring any action for, partition or division of the whole or any part thereof without the written consent of all owners of all portions of the property located within the community, the written consent of all holders of all mortgages encumbering any portion of the property located within the community, and, so long as the Declarant has an option unilaterally to subject additional property to this declaration as provided in Article X hereof, the consent of the declarant.

7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

8. Severability. Whenever possible, each provision, of this declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this declaration are declared to be severable.

9. Captions/Headings. The captions of each article and section hereof, as to the contents of each article and section, are inserted only for convenience and are in no way to be construed as

defining, limiting, extending, or otherwise modifying or adding to the particular article or section to which they refer.

10. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

11. Indemnification of Officers and Directors. The association shall indemnify every officer and director against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer, or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceedings, 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 or director. The officers and directors 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 and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the association (except to the extent that such officers or directors may also be members of the association), and the association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director may be entitled. The association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

12. Construction and Sale Period. Notwithstanding any provisions contained in this declaration, the by-laws, articles of incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until declarant's right unilaterally to subject property to this declaration as provided herein, terminate, it shall be expressly permissible for declarant and any builder or developer approved by declarant to maintain and carry on, upon such portion of the subdivision as declarant may deem necessary, such facilities and activities as in the sole opinion of declarant or builder or developer may be required, convenient, or incidental to declarant's and such builder's or developer's development, construction, and sales activities upon any of the property, either described herein or later added by supplementary declaration, including, but without limitation, the

right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the subdivision; the right to tie into any portion of the subdivision with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing); replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the community; the right to carry on sales and promotion at activities in the community; and the right to construct and operate business offices, signs, construction trailers, model lots, and sales offices, declarant and any such builder or developer may use lots or offices owned or leased by declarant or such builder or developer as model lots and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the person causing the damage at its sole expense.

13. Books and Records. This declaration, the by-laws, the articles of incorporation, copies of rules and regulations, use restrictions, design guidelines, membership register, books of account, and minutes of meetings of the members of the board and of committees shall be made available for inspection and copying by any member of the association or by his duly appointed representative and by holders, insurers, or guarantors of any first mortgage at any reasonable time, and for a purpose reasonably related to his or her interest as a member or holder, insurer, or guarantor, of a mortgage at the office of the association or at such other reasonable place as the board shall prescribe. The board shall establish reasonable rules with respect to:

- a. notice to be given to the custodian of the records;
- b. hours and days of the week when such an inspection may be made; and
- c. payment of the cost of reproducing copies of documents.

14. Directors' Right to Inspect Books. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the association and the physical properties owned or controlled by the association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the association.

15. Notice of Sale of Lot. If an owner sells his or her lot, the owner shall give notice to the board, in writing, of the name of the purchaser of the lot and such other information as the board may reasonably require.

16. Estoppel Certificate as to Status of Assessments and Compliance. Upon the request of any member, the board or its designee shall furnish a written certificate signed by an officer or agent of the association regarding unpaid assessments levied against that member's property and any violations of the declaration, by-laws, use restrictions, rules and regulations, or design guidelines by any owner or occupant of such property. Such certificate shall bind the association with respect to the foregoing matters. The association may require the advance payment of reasonable processing fees.

17. Association Agreements. All agreements and determinations, including settlement agreements regarding litigation involving the association, lawfully authorized by the board, shall be binding upon all owners, their heirs, legal representatives, successors, assigns, and others having an interest in the subdivision or the privilege of possession and enjoyment of any part of the subdivision; however, for so long as declarant has an option unilaterally to subject additional property to this declaration as provided herein, all such agreements shall be subject to declarant's prior approval.

18. Implied Rights. The association may exercise any right or privilege given to it expressly by this declaration, the by-laws, the articles of incorporation, any use restriction or rule, the design guidelines and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

19. Deviations. The board or its designee may, in the exercise of its reasonable discretion, permit deviations from the restrictions contained in this declaration, the by-laws, the rules and regulations, the use restrictions, and the design guidelines.

20. Minerals. All minerals of said subdivision have been previously reserved and no mineral interest shall transfer to any lot owner of this development.

21. Security. This Association will strive to maintain the development as a safe, secure environment. However, neither the Association nor the Declarant shall be held liable for any loss or ineffectiveness of security measures undertaken. All owners ,

lessees, tenants, occupants, guests and invitees of any owner, as applicable, acknowledge that the Association and the declarant and committees established by any of the foregoing entities are not insurers and that each owner, lessee, tenant, occupant, guest and invitee assumes all risk of loss or damage to persons, homes, and other structures and to other private property (whether real or personal) and further acknowledge that the declarant has made no representations or warranties nor has any owner, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness of any particular purpose relative to any security measures recommended or undertaken.

IN WITNESS WHEREOF, SEHOY DEVELOPMENT, L.L.C., the declarant, has caused this instrument to be executed by REX A. NICHOLS, Managing Partner, on this the 14th day March, 2001.

SEHOY DEVELOPMENT L.L.C.

Rex A. Nichols
BY: REX A. NICHOLS
ITS: Managing Partner

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned, a Notary Public, in and for said State and County hereby certify that REX A. NICHOLS, whose name as Managing Partner of SEHOY DEVELOPMENT, L.L.C., is signed to the foregoing Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said Agreement, he, as such Managing Partner of said limited liability company, and with full authority, executed the same voluntarily.

GIVEN under my hand and seal on this the 14th day of March, 2001.

Christina Givens Sellers
NOTARY PUBLIC
MY COMMISSION EXPIRES: 7/16/2001

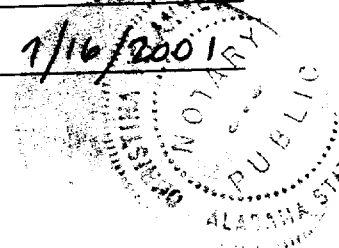


EXHIBIT 1

ROOFS

DESIGN

The following roof designs are permitted:

- a. hip, gable, and hopped gable

No flat roofs will be permitted unless approved by the Architectural Committee.

No "A frame roofs" will be permitted.

No geodesic domes will be permitted.

No inconsistent or random arrangement of roof lines will be permitted.

No towers or turrets will be permitted unless approved by the Architectural Committee.

SLOPE

Maximum roof pitch is twelve (12) inches rise in a twelve (12) inch run.

Minimum roof pitch is seven (7) inches rise in a twelve (12) inch run. All lower slopes shall be approved by the Architectural Committee in writing, and any deviations shall be viewed with extreme disfavor by the Architectural Committee, with the exception of porches, florida room, or rooms of this nature on the back of the house.

Extreme roof pitches are not allowed.

MATERIAL

Roofing shall be textured, architectural type shingles compatible to GAF woodline or pine or cedar shakes.

Barrel tile or cement tile shingles will be permitted.

Metal roofs will be permitted if approved by the Architectural Committee.

EXHIBIT 2

MAILBOXES

The only mailbox approved at this time as a MBS-100, a picture of which is below. Currently, this mailbox is available at NFL Building Center, but it is anticipated that it will be available at any building center. If, for any reason, this mailbox is unavailable a new style will be decided by the Architectural Committee, whose decision will be final.

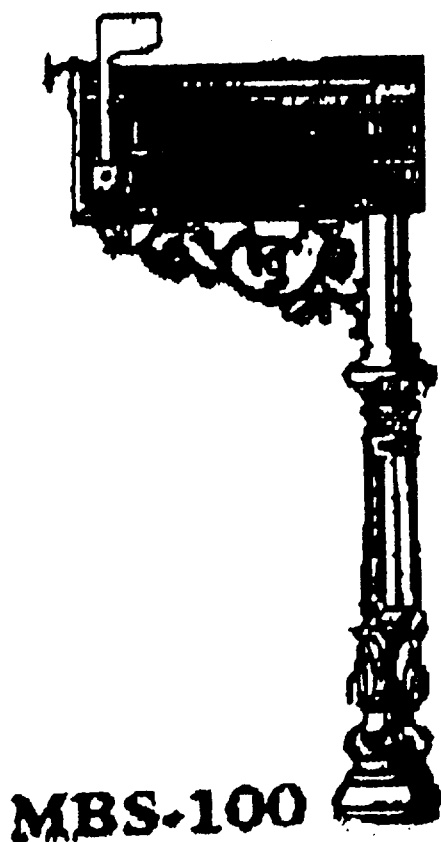


EXHIBIT 3
FENCING SUPPLEMENT ON FENCES EXPOSED TO SOUTH
Lots 15-22 Located Immediately South of March Hand Avenue

APPROVED FENCING

Regular Residential Lots

- | | | | |
|----|-----------------------------------|----|--|
| 1. | Brick post with: | a. | wrought iron pickets |
| | | b. | wood pickets |
| 2. | Stucco post with: | a. | wrought iron pickets |
| | | b. | wood pickets |
| 3. | Wood post (major and minor) with: | a. | wood pickets or round top fences with slats to be constructed of 1x6 treated wood material. A diagram of these wooden fences is described below. |

SPECIFICATIONS

I. Posts

A. Wood Posts

When using wood posts, you must use both major and minor posts in the following configuration:

1. Major wood posts shall be 4x4 pressure treated wood, at 8' maximum spacing center to center. The height shall be no more than 72" and no less than 42". Each post shall have added to the overall height, a decorative finial (see attached sketches). All corner shall have major wood posts.
2. Minor wood posts shall be 4x4 pressure treated wood, at 8' maximum spacing center to center. The height shall be no more than 72" and no less than 42". Minor wood posts shall not have a decorative finial.

3. Post shall interrupt the pickets.

B. Brick Posts

Brick posts shall be used in the following configuration:

1. Brick posts shall be no smaller than 12" square with brick on all exposed sides.
2. Each post shall be spaced no more than 8' center to center.
3. Each post shall have a brick capital.
4. Each post shall be uniform in height (no more than 72" no less than 42") and uniform in size.

c. Stucco Posts

Stucco posts shall be used in the following configuration:

1. Stucco posts shall be no smaller than 8" square, with stucco on all exposed sides.
2. Each post shall be spaced in more than 8' center to center.
3. Each post shall have a stucco capital.
4. Each post shall be uniform in height (no more than 72" no less than 42") and uniform in size.

II. Pickets

a. Wood Pickets

Wood pickets shall meet the following criteria:

1. Pickets shall be cedar or cypress 1x6 maximum.
2. Picket tops shall be decorative (see attached sketches).
3. Pickets shall be no more than 72" in height and no less than 42" in height.
4. Spacing between pickets shall be no more than 13" space between pickets center to center.
5. Pickets shall be centered on the post and not flush with the front or rear of the post.

b. Wrought Iron Pickets

Wrought Iron Pickets shall meet the following criteria:

1. Wrought iron pickets shall be no more than 72" in height and no less than 42" in height.
2. Each picket shall have a wrought iron finial.

III. Horizontal Railing

a. Horizontal Wood Railing:

Horizontal wood railing(s) shall be concealed from view. Any horizontal railing shall be on the inside of the pickets, so as not visible from the outside of its surrounding property.

b. Horizontal Wrought Iron Railing:

A minimum of two horizontal wrought iron rails are required on all wrought iron fences.

IV. Gates

All gates, whether functional or not, must be submitted for written approval prior to construction.

V. Finishes

A. Finishes for wood:

No unfinished wood will be allowed. Colors must be submitted for approval prior to application.

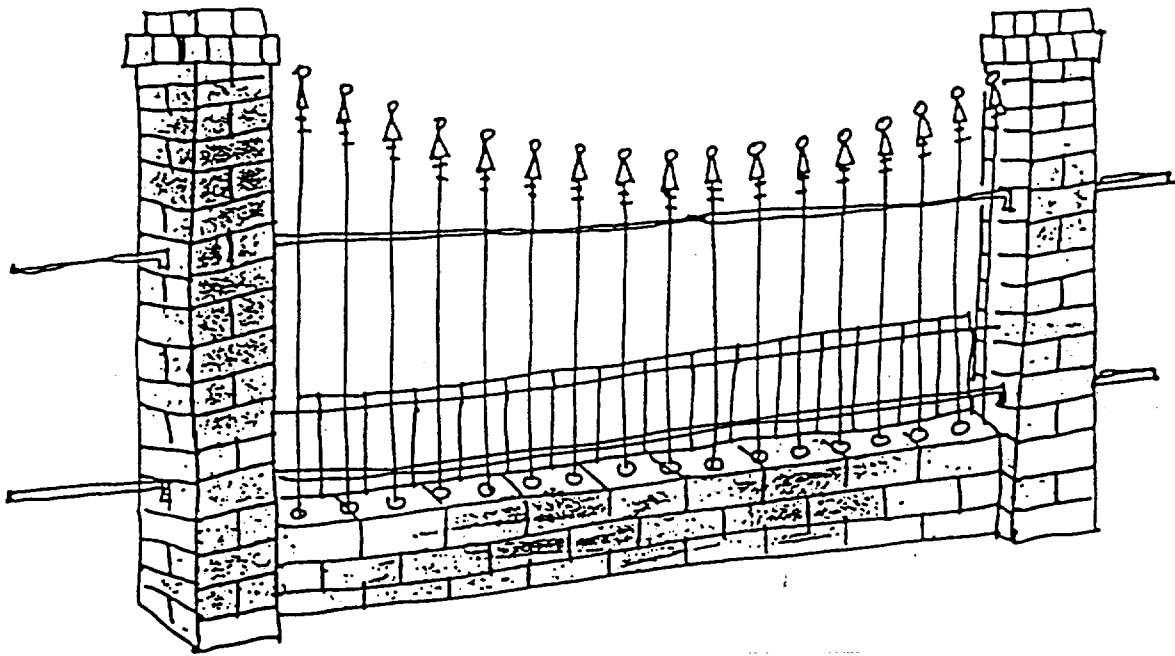
B. Finishes for wrought iron:

All wrought iron shall be primed and painted black immediately after completion.

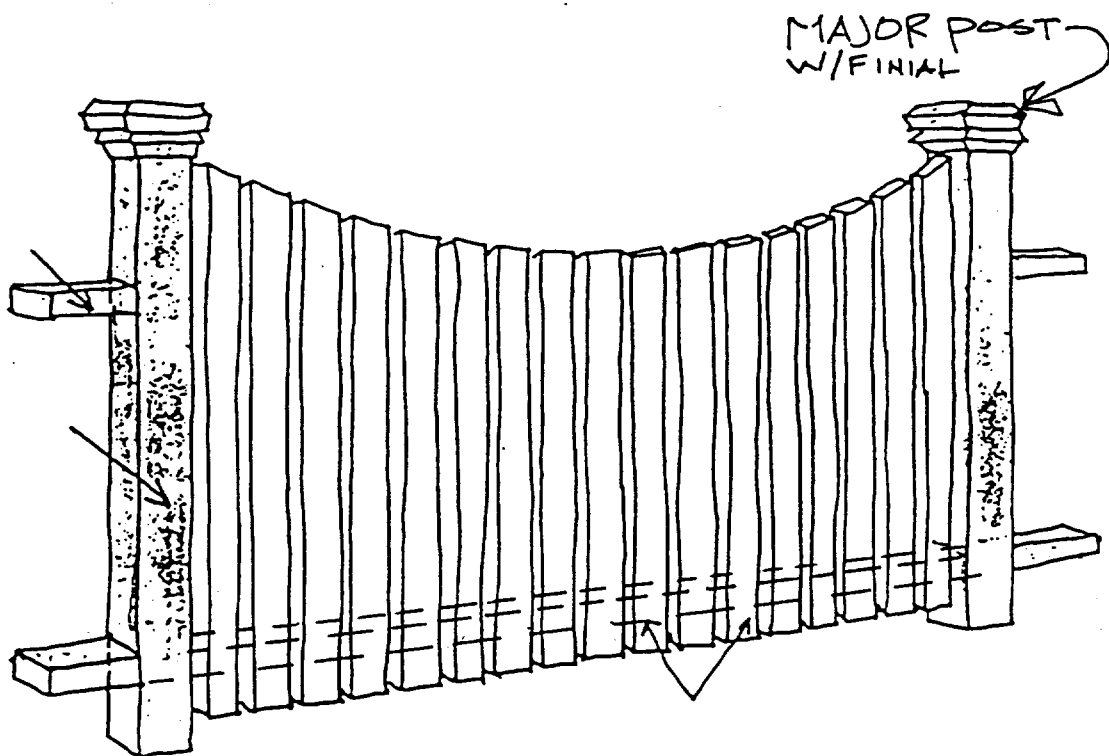
VI. Other Fencing

- A. Chain link, vinyl or any other fabric or wire fencing will not be permitted.

- B. Any other fencing must be submitted, in plan and elevation, or in a clear photograph for review by the Architectural Committee.

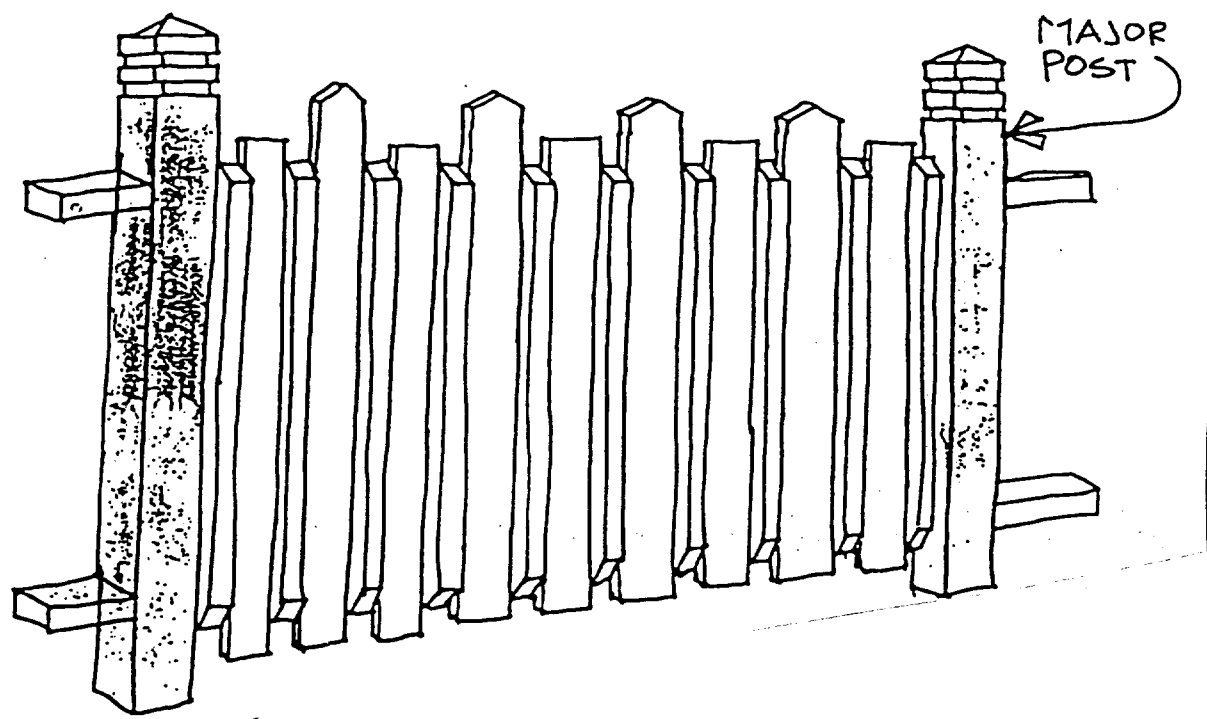


BRICK/WROUGHT IRON FENCE



WOOD PICKET FENCE

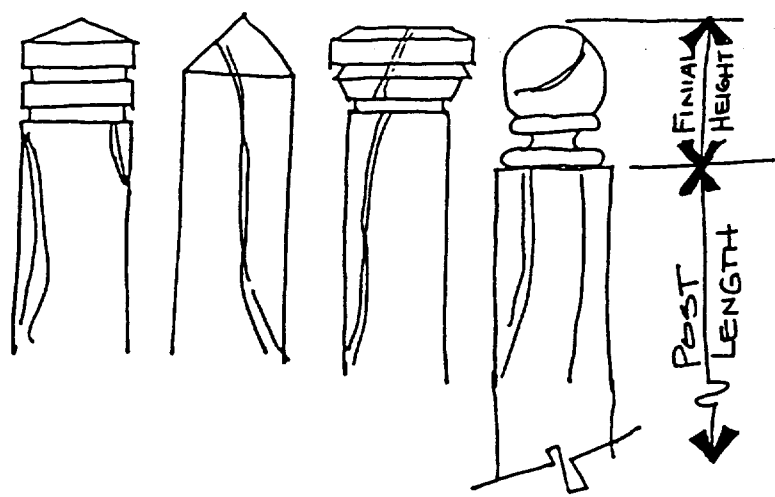
Ex 3



MAJOR POST

WOOD PICKET FENCE

MAJOR POSTS W/ FINIAL



PICKETS

NTS

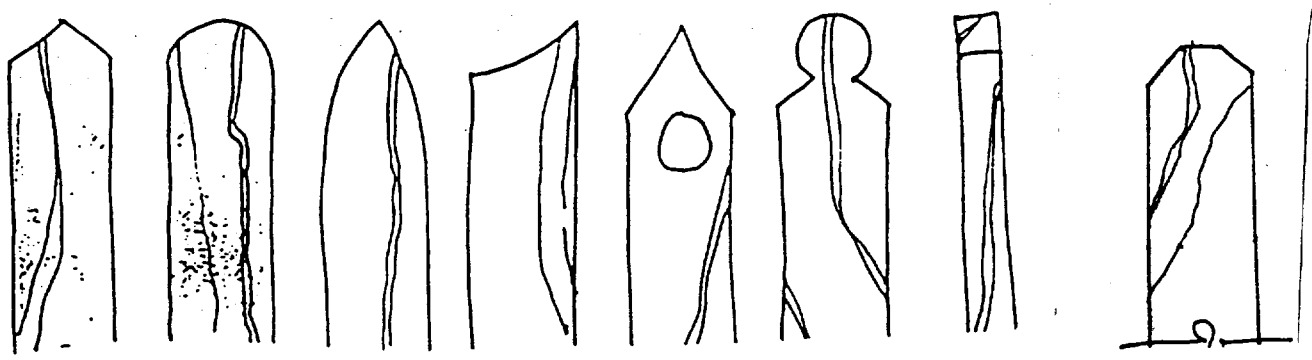


EXHIBIT 4

SIGNS

18 inches wide X 24 inches high - white background with bright blue lettering, of which the blue shall be PMS300 Blue which is the same blue as currently used by Prudential Nichols Real Estate, on white wooden stake.

