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Madison Cnty Judge of Probate, AL
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STATE OF ALABAMA)
:
MADISON COUNTY)

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR HAWKS RIDGE, SECOND ADDITION**

KNOW ALL MEN BY THESE PRESENTS: That whereas, **RESERVE DEVELOPMENT GROUP, L.L.C.**, an Alabama limited liability company has heretofore established and filed that certain Declaration of Covenants, Conditions and Restrictions as Document No. 20070302000153070, Probate Records of Madison County, Alabama, for the use and enjoyment of certain lots in **HAWKS RIDGE**, as said subdivision is recorded as Document No. 20070301000149360, Probate Records of Madison County, Alabama; and,

WHEREAS, Article X, Section 1 of said Declaration provides that the Declarant may subject all or any portion of the real property described in Exhibit "C" thereto to the provisions of such Declaration and to the jurisdiction of the Hawks Ridge Homeowners Association, Inc.

NOW, THEREFORE, pursuant to the provisions of Article X, Section 1 of the Declaration of Covenants, Conditions and Restrictions for **HAWKS RIDGE**, as the same is recorded as Document No. 20070302000153070, Probate Records of Madison County, Alabama, the undersigned, **RESERVE DEVELOPMENT GROUP, L.L.C.**, an Alabama limited liability company, does by these presents add to said Declaration all of the lots of the final plat of Hawks Ridge Second Addition, a Resubdivision of Tract One of High Mountain Estates Seventh Addition, a Resubdivision of Tract 1 of a Resubdivision of Tract 12 of Chapman Cove and a Resubdivision of Lot A of Saddletree (PB 17, Page 100) and a Resubdivision of Tract 1 and Lot 10 of High Mountain Estates Third Addition, a Resubdivision of Tract 11 of Chapman Cove and a Resubdivision of Tract 10 of High Mountain Estates Second Addition a Resubdivision of Tract 10 of High Mountain Estates as recorded in Plat Book 40, Page 89, Huntsville, Alabama, said Final Plat being recorded as Document No. 20070927000683820, Probate Records of Madison County, Alabama, said lots being a portion of the property described in Exhibit "C" of said Declaration; all of the lots in said Second Addition shall, by the execution hereof, be subject to the Declaration of Covenants, Conditions and Restrictions for **HAWKS RIDGE**, and all easements, restrictions, terms and conditions contained therein and shall be entitled to all rights arising as a result of said Declaration.

IN WITNESS WHEREOF, **RESERVE DEVELOPMENT GROUP, LLC**, an Alabama limited liability company has caused this instrument to be executed by **BRIAN G. PLATT**, its Member for and as the act of said limited liability company on this the 16th day of October, 2007.

RESERVE DEVELOPMENT GROUP, LLC, an
Alabama limited liability company

By: Brian G. Platt
Brian G. Platt, Member

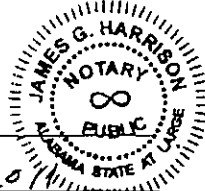
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STATE OF ALABAMA)
:
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, **BRIAN G. PLATT**, whose name as Member of **RESERVE DEVELOPMENT GROUP, LLC**, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 16th day of October, 2007.

James G. Harrison
Notary Public
My Commission Expires: 7-16-2011



DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS FOR

HAWKS RIDGE



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Madison City Judge of Probate, AL
03/02/2007 03:57:41PM FILED/CERT

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THIS DECLARATION is made on the date hereinafter set forth by **RESERVE DEVELOPMENT GROUP, L.L.C.**, an Alabama limited liability company, (hereinafter sometimes called "Declarant");

WITNESSETH

WHEREAS, Declarant is the owner of the real property described on Exhibit "A" attached to this Declaration; and

WHEREAS, Declarant desires to subject the real property described in said Exhibit "A" to the provisions of this Declaration to create a residential community of single-family homes and to provide for the subjecting of other real property to the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the real property described on Exhibit "A" attached hereto, including the improvements constructed or to be 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 shall be binding on 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, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof. Declarant reserves the right to add additional restrictive covenants in respect to the lands to be conveyed in the future within Hawks Ridge, or to limit therein the application of this Declaration.

THIS DECLARATION DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM REGIME SUBJECT TO THE ALABAMA CONDOMINIUM OWNERSHIP ACT OF 1973, ALA. CODE SECTION 35-8-1 Et. Seq.

HOWEVER, AT DECLARANT'S SOLE OPTION, A PORTION OF THE PROPERTY DESCRIBED ON EXHIBIT "C" MAY BE USED FOR THE CONSTRUCTION OF CONDOMINIUMS OR FOR THE CONSTRUCTION OF A PLANNED UNIT DEVELOPMENT.

Article I
Definitions

Unless the context shall prohibit, certain words used in this Declaration shall be defined as set forth in Exhibit "B", attached hereto and by reference made a part hereof.

Article II
Property Subject To This Declaration and Aesthetic Guidelines

Section 1. Primary Purpose of Covenants The Primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of Property and of technological advances and environmental values. For this reason such standards are not established by these covenants. In order to implement the purposes of these covenants, the Declarant shall establish and amend from time to time objective standards and guidelines, including but not limited to Architectural Guidelines, Landscape Guidelines and Environmental Rules and Regulations as defined hereinafter, and which shall be binding on all Property Owners within Hawks Ridge.

Section 2. Property Hereby Subjected To This Declaration The real property which is, by the recording of this Declaration, subject to the covenants and restrictions hereafter 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 in Exhibit "A", attached hereto and by reference made a part hereof.

Section 3. Other Property Only the real property described in Section 1 of this Article II is hereby made subject to this Declaration; provided, however, by one or more Supplementary Declarations, Declarant and the Association have the right, but not the obligation, to subject other real property to this Declaration, as hereinafter provided.

Section 4. Architectural Guidelines and Systems Connection

(a) No building, fence or other structure shall be erected, placed, or altered, nor shall a building permit for such improvement be applied for on any Property in Hawks Ridge until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives, and parking areas), the land management plan, and construction schedule shall have been approved in writing by the Declarant or an Architectural Control Committee as defined in Article VII herein. The Declarant and the Architectural Control Committee further reserves the right to promulgate and amend from time to time Architectural Guidelines for all Properties within Hawks Ridge, and such Architectural Guidelines shall establish, define, and expressly limit those standards and specifications which will be approved within the Property, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Refusal or approval of plans, location, exterior color or finish, or

specifications may be based by the Declarant or the Architectural Control Committee upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant or the Architectural Control Committee shall seem sufficient. No alteration in the exterior appearance of any Dwelling(s), including exterior color or finish, shall be made without like prior written approval by the Declarant or the Architectural Control Committee.

(b) In order to assure that Dwelling(s) and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure within the confines of each Lot, and to assure that structures will be located with regard to the topography of each Lot, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Declarant or the Architectural Control Committee reserves the right to control absolutely and solely to decide (subject to the provisions of the Zoning Ordinance of the City of Huntsville, Alabama) the precise site and location of any dwelling or structure on any Lot in Hawks Ridge for reasons which may in the sole and uncontrolled discretion and judgment of the Declarant or the Architectural Control Committee seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. The provisions of this paragraph shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available to a dwelling or structure on a given Lot shall not be affected by the location of a building or structure on an adjacent Property.

(c) Prior to the occupancy of a dwelling, proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains of the Madison County public sewer system which is the only system presently approved by Madison County for use in the development/community, or other means of sewage disposal if other means are approved by Madison County for use in the development/community.

(d) Prior to the occupancy of a dwelling, proper and suitable provisions for water shall be made by connection with the water lines of the Madison County public water system which is the only system presently approved by Madison County for use in Hawks Ridge, or other water system if other water system is approved by Madison County for use in Hawks Ridge.

Section 5. Environmental and Land Management Controls In order to protect the natural beauty of the vegetation, topography, and other natural features of the Property within Hawks Ridge and the beauty and purity of the mountaintop, general common property and roads in Hawks Ridge, the following environmental and land management controls are hereby established:

(a) Topographic and vegetation characteristics of Hawks Ridge shall not be altered by excavation, grading, removal, reduction, addition, clearing, cutting, pruning, seeding, planting, transplanting, or any other means without the prior written approval of the Declarant and/or the Association. Written approval will be granted hereunder only after a plan designed to protect the mountaintop, general common property and roadway corridors from pollution resulting from erosion, pesticides, or the seepage of fertilizer or other materials has been submitted to and accepted by the Declarant and/or the Association.

Refusal or approval of plans for any alteration of topographic or vegetation characteristic(s) may be based by the Declarant and/or the Association upon any ground, including purely aesthetic considerations, which in the sole discretion of the Declarant and/or the Association seems sufficient. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved by the Declarant and/or the Association. Should written notice be served by the Declarant and/or the Association upon any owner requiring corrective alteration of topographic and vegetation characteristics, such notice shall be deemed to constitute written approval by the Declarant and/or the Association for such corrective alteration under the provisions of this paragraph.

(b) The Owner of each Lot must submit for approval a Landscape Design Plan to the Declarant and/or the Association prior to the commencement of any landscape, sidewalk, walkway or any other construction on a Lot or any area other than the Dwelling.

(c) Notwithstanding anything in the paragraph above, the Declarant and/or the Association reserves the right to promulgate and amend from time to time landscape guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods, and procedures for landscape management on all Property in Hawks Ridge, and such authorized methods, and procedures may be utilized by the Owners of such Property; provided, however, no trees measuring six (6) inches or more in diameter at a point two (2) feet above the ground level may be removed without the prior written approval of the Declarant and/or the Association. Approval for the removal of trees located within ten (10) feet of the main Dwelling or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Property. The provisions of this paragraph shall in no way constitute a waiver of the requirement to receive prior written approval for any alteration in topographic or vegetation characteristics, pursuant to the provisions of the paragraph above.

(d) In order to implement effective and adequate erosion control and protect the purity and beauty of the mountaintop, general common property and roadway corridors, the Declarant and/or the Association and its agents shall have the right to enter upon any Property before or after a building or structure has been constructed thereon for the purpose of performing and grading or landscaping work or construction and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon the Property the purpose of performing any grading or landscaping work or constructing or maintaining erosion prevention devices, the Declarant and/or the Association shall give the Owner of the Property the opportunity to take any corrective action required by giving the Owner of the Property written notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by the Owner. If the Owner of the Property fails to take the corrective action specified immediately, the Declarant and/or the Association or its agent may then exercise its right to enter upon the Property in order to take the necessary corrective action. The cost of such erosion prevention measures, when performed by the Declarant and/or the Association or its agent, shall be kept as low as reasonably possible. The cost of such work, when performed by the Declarant and/or the Association or its agent on an improved Property or any Property for which a building permit has been issued by the appropriate governmental authorities, shall be paid by the Owner thereof.

Section 6. Additional Common Property Restrictions

(a) It is the intent of the Declarant to maintain and enhance (or to convey subject to common property restrictions to the Association) certain Properties which the Declarant designates as Common Property (hereinafter referred to as "Common Property") on plats recorded in the Office of the Judge of Probate of Madison County, Alabama, by the Declarant. It is the further intent and purpose of these restrictions and covenants to protect, maintain, and enhance the conservation of natural and scenic resources; to promote the conservation of soils, wet lands, wildlife, game, and migratory birds; to enhance the value of abutting and neighboring Properties adjacent to such forests, wildlife preserves, natural reservations or sanctuaries; and to afford and enhance recreation opportunities, preserve historical sites, and implement generally the Declarant's plan for development. The Declarant reserves the right to review and modify the overall development plan at its sole option from time to time based upon its continuing research and design program, and such modifications may change the boundaries of certain Common Property. The Declarant further reserves the right to transfer, sell, convey, give, donate, or lease to the Association or to any other third party and parcel of land designated as, subject to the provisions of the Conditional Use for a Planned Development granted by the Madison County Board of Supervisors.

(b) The Declarant reserves unto itself, its successors and assigns, and its agents, the right to enter upon any Common Property for the purpose of constructing, landscaping, maintaining, and operating any (i) indoor and/or outdoor recreational and community facilities, including, but not limited to, tennis courts, platform tennis courts, handball courts, squash courts, basketball courts, swimming pools, playgrounds, viewing pavilions, gazebos, picnic shelters, picnic tables, parks, riding trails, walking trails, bike trails, wildlife conservancies, nature interpretive areas and other similar community facilities. The Declarant further reserves the right to authorize the construction, landscaping, maintenance, or operation of such facilities within Common Property by the Association or any other third party. The provisions of this paragraph shall not create any obligation on the part of the Declarant to construct, landscape, maintain, or operate any such facilities.

(c) The Declarant and its agent shall have the right to protect from erosion the lands described as Common Property by planting trees, plants, and shrubs where and to the extent necessary, or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Declarant. The right is likewise reserved unto the Declarant and its agent to take steps necessary to provide and insure adequate drainage ways in Common Property to cut fire breaks, remove diseased, dead, or dangerous trees, and carry out other similar activities.

(d) The Declarant reserves unto itself; its successors and assigns, and its agent, a perpetual, alienable, and releasable easement of right to go on, over, and under any Common Property to construct and maintain a walking, biking or horse trail network. These reservations and rights expressly include the right to cut any tree, bushes, or shrubbery, rights to make any gradings of the soil, or take any other similar action reasonable necessary to provide an economical and functional internal transportation network, and to maintain reasonable standards

of safety and appearance. Such rights may be exercised by any licensee or assignee of the Declarant or the Association, but this reservation shall not create any obligation on the part of the Declarant or the Association to provide or maintain any such bike trail network.

(e) It is expressly understood and agreed that the granting of the easements set out herein, in no way places a burden of affirmative action on the Declarant or the Association, that the Declarant or the Association is not bound to make any of the improvements noted herein, or extend to any property owner any service of any kind, except as such may be undertaken at the expense of the Association.

(f) The granting of the easement in the Common Property herein, in no way grants to the public or to the owners of any land outside the Properties in Hawks Ridge the right to enter any Common Property without the prior written permission of the Declarant.

(g) The use of those portions of the trails and observation pavilion owned by the Declarant, its successors and assigns, by property owners and their guests, tenants, and employees shall be governed by the rules and regulations established and amended from time to time by the Declarant.

Section 7. Mountaintop Preservation In order to preserve the natural appearance and scenic beauty of Hawks Ridge and the hillside, and to provide a "cover" for animals which habitually move along High Mountain, there is hereby established a construction and clearing restricted zone on all Properties fronting on the mountaintop. That portion of any Property located within thirty-five (35) feet of the bluff shall be preserved substantially in its present natural state except for clearing for view and breeze approved by the Declarant or the Architectural Control Committee. Notwithstanding the foregoing, the Declarant hereby reserves the right to exempt Properties from said construction and clearing restrictions in those cases where it, in its uncontrolled discretion, determines that such exemption will not materially lessen the natural appearance and scenic beauty of Hawks Ridge, or is necessary to protect the hillside from erosion or from pollution.

Article III Association Membership and Voting Rights

Section 1. Membership Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the By-Laws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each Lot owned.

Section 2. Voting Members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one Person seeks to exercise it.

The Association shall have no authority to enforce the covenants and restrictions, nor shall the Association have any power of authority to perform any acts required or allowed under the Declaration of Covenants and Restrictions until the rights of the Declarant are terminated under the provisions of this Declaration of Covenants and Restrictions. The first annual meeting of the Homeowners Association shall be called by the Declarant after all lots in all phases are sold unless the Declarant deems otherwise.

Article IV Assessments

Section 1. Purpose of Assessment The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

Section 2. Creation of the Lien and Personal obligation for Assessments 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: (a) annual assessments or charges; (b) special assessments, such assessments to be established and collected as hereinafter provided; and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration. All such assessments, together with late charges, interest, not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot, and his or her grantee shall be jointly and severally liable for such portion thereof as maybe due and payable at the time of conveyance to the extent expressly assumed; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee holder taking title through foreclosure proceedings or deed in lieu of foreclosure.

The Association shall, within five (5) days after receiving a written request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of issuance.

Assessments shall be levied equally on all Lots and shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration, upon ten (10) days' written notice, of the annual assessment for delinquents. Unless otherwise provided by the Board, the assessment shall be paid in annual installments.

Section 3. Computation It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a Majority of the total Association vote or by the Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof). Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 4. Special Assessments In addition to the other assessments authorized herein, the Association may levy special assessments from time to time if approved by the Declarant and then one-half (1/2) of the total Association vote (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof). 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.

Section 5. Lien for Assessments All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; or (b) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the land records of the county where the Community is located and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All liens or encumbrances placed on any lot subsequent to the recordation of this Declaration 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.

Section 6. Effect of Nonpayment of Assessments; Remedies of the Association Any assessments or installments thereof which are not paid when due shall be delinquent. Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein

provided, shall attach and, in addition, the lien shall include the late charge, interest, not to exceed the maximum legal rate, 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 sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of 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 on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration 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 by the Association 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.

Section 7. Date of Commencement of Assessments The assessments provided for herein shall commence as to a Lot subject to this Declaration on the first day of the month following the conveyance of such Lot to a Person other than the Declarant. However, if a Person purchases four (4) or more Lots subject to this Declaration from the Declarant in the year 2007, then said lots shall be exempt from annual assessments for the year 2007 and shall be subject to all assessments provided for herein beginning January 2008 and continuing thereafter. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. Lots which have not been so conveyed and are still titled to the Declarant shall be subject to assessments on the same "per lot" basis as Lots titled to others beginning five (5) years after the filing of the plat creating each lot. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

Assessments for lawn care shall commence the month after the issuance of the Certificate of Occupancy, except if any lawn care shall be required of the Association prior to such time, then, it shall bill the Lot Owner for such care and such bill shall have the effect of an assessment.

Section 8. Specific Assessments The Board shall have the power to specifically assess pursuant to this Section as, in its discretion, it shall 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 of Directors 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 an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to Article XIII, Section 1 of this Declaration and the costs of maintenance performed by the Association which the Owner is responsible for under Article V, Sections 1 and 2 of this Declaration shall be specific assessments. The Board may also specifically assess Lots for the following Association 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 less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received.

(b) Expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

Section 9. Budget Deficits During Declarant Control For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant may: (i) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the annual, special and specific assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in favor of the Declarant; or (ii) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Community. The Declarant in its sole discretion may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Property or any of the improvements maintained by the Association shall be given in connection with such loan.

Article V

Maintenance; Conveyance of Common Property to Association

Section 1. Association's Responsibility The Association shall maintain and keep in good repair the Common Property. This 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. The Association shall maintain the entry features at the main entrance of the Community and shall maintain and pay the expenses for water or electricity, if any, provided to all such entry features. The Association shall also maintain all medians located in the Community. All property outside of Lots located within the Community which was originally maintained by Declarant, any park, playground, clubhouse, pool, and fencing constructed by the Declarant or the Association shall be maintained by the Association. Declarant shall maintain all Common Property until conveyed to the Association.

Additionally, the Association may, at its sole option, maintain the lawns and shrubbery of individual homes on such basis as it deems appropriate and assess each Owner for the cost of such maintenance, which costs shall be paid on a quarterly basis by Owner.

The Association may, with a majority vote, construct such other amenities as deemed appropriate. All such construction shall require the approval of the Architectural Control Committee. In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community, where the Board has determined that such maintenance would benefit all Owners.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, has been caused through the willful or negligent act of an Owner, his or her family, guests, lessees, or invitees, then the Association may perform such maintenance, repair or replacement at Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard.

Section 2. Owner's Responsibility Except as provided in Section 1 above, all maintenance of the Lot and all structures, parking areas, landscaping, and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Community-Wide Standard and this Declaration. In the event that the Board of Directors of the Association determines that any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, repair, or replacement of items for which he is responsible hereunder, the Association shall, except in an emergency situation, which shall be determined in the Association's sole discretion, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, 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 be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at Owner's sole cost and expense, which shall be one hundred twenty-five (125%) percent of the actual cost of such work and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot. The Board of Directors shall determine the level of care and maintenance to be given to the portions of each lot which is maintained by the Association. The Association will also provide lawn care for each individual Lot as reflected in Section 2 above. Otherwise, such care shall be done by the individual Lot owner.

Section 3. Party Walls and Party Fences

(a) General Rules of Law to Apply Each wall or fence built as a part of the original construction on the Lots which shall serve and separate any two (2) adjoining Lots shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance The cost of installation and reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

(c) Damage and Destruction If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the wall may restore it, and if the other Owner or Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

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

(e) Arbitration In the event of any dispute arising concerning a party wall or fence, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other.

(f) Fence Approval All fences must be approved by the Association.

Section 4. 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 shall thereafter be Common Property to be maintained by the Association for the benefit of all or a part of its Members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

Article VI Use Restrictions and Rules

Section 1. 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 in Article XIII, Section 4, hereof regarding amendment of this Declaration. In addition, the Board may, from time to time, without consent of the Owners, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community. Such use restrictions and rules shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority

vote of the Association entitled to vote thereon and the consent of Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof). Construction of the dwelling must begin within twelve (12) months of the date of acquisition and be fully completed within twelve (12) months from that date; reasonable extensions may be given by the Declarant.

Section 2. Residential Use 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 Architectural Control Committee. Leasing of a Dwelling shall not be considered a business or business activity. However, the Architectural Control Committee may permit a Lot to be used for business purposes so long as such business, in the sole discretion of the Architectural Control Committee, 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 Architectural Control Committee may issue rules regarding permitted business activities. No structure of a temporary character including, without limitation, a trailer, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a Dwelling or for any other purpose, either temporarily or permanently.

Section 3. Signs No sign of any kind shall be erected by an Owner or occupant of a Lot within the Community without the prior written consent of the Architectural Control Committee. All "For Sale", "For Rent", "Pending Sale", or "Sold" signs will be of one standard size and design and shall be approved by the Architectural Control Committee.

The Declarant and its agent shall have the right, whenever there shall have been placed or constructed on any Property in Hawks Ridge any sign which is in violation of these restrictions, to enter immediately upon such Property where such violation exists and summarily remove the same at the expense of the Property Owner.

Section 4. Vehicles The term "vehicles," as used herein, shall include, without limitation, motor homes, ATV's, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans, recreational vehicles, tractors, mowers and automobiles. All vehicles shall be parked within garages. Parking in driveways is acceptable provided the vehicle is not visible from the street; however, this limitation shall not apply to casual visitors, which may be determined by the Board. Parking in yards is prohibited.

No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, for a period longer than forty-eight (48) hours 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 forty-eight (48) hour period, such vehicle shall be considered a nuisance and may be removed from the Community. No towed vehicle, boat, recreational vehicle, motor home, tractor, mower or mobile home shall be temporarily kept or stored in the community for any period in excess of two (2) weeks unless kept in a garage or other area approved by the Board; vehicles parked in violation of this provision shall be considered a nuisance and may be removed from the Community. 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 upon

removal. No eighteen wheel trucks or the cabs of such trucks shall be parked, kept or stored within the Community, and if so parked, kept, or stored shall be considered a nuisance and may be removed from the Community.

No motorized vehicles shall be permitted on pathways or unpaved Common Property except for public safety vehicles and vehicles authorized by the Board.

All single-family detached dwelling shall contain a side-entry or rear-entry garage for at least a 2-car garage; no front-entry garages or carports are allowed. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage. Detached garages are allowed if approved by the Architectural Control Committee prior to construction.

Section 5. Leasing Dwellings may be leased for residential purposes only. All leases shall have a minimum term of twelve (12) 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 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 on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property. It is the Owner's ultimate responsibility for the tenant's behavior and for all assessments due for the Lot.

Section 6. Occupants Bound All provisions of the Declaration, By-Laws, and of 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 is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

Section 7. 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, and not to exceed a total of four (4) pets per Lot at any time; 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 whenever they are outside 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 damage 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.

Section 8. Nuisance It shall be the responsibility of each Owner and Occupant to prevent the dwelling of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No building shall be permitted to stand with its exterior in an unfinished condition for longer than six (6) months after commencement of construction. 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 (except such Lots used for storage of materials and equipment for use in the dwelling or construction by Declarant); nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Grass should not exceed eight (8) inches in height. 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.

Section 9. 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 shall not be pursued or undertaken in any part of the Community.

Section 10. Architectural Standards No exterior construction, alteration, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, 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, addition, erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by an Architectural Control Committee as defined in Article VII herein. Such plans shall be submitted with the required architectural review fee (initially, \$125.00 per lot). The Board may divide the Architectural Control 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 Control Committee architects, engineers, or other Persons necessary to enable the Committee to perform its review. The Architectural Control Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) 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.

Plans and specifications are not approved by the Architectural Control Committee for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Architectural Control 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. Neither Declarant, the Association, the Architectural Control Committee, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and

specifications to any of them for approval, or to any Owner 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 Control Committee, the Board, or the officers, directors, members, employees, and agents of any of them to recover any such damages and hereby releases, remises, quit-claims, 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.

Section 11. 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 antennas and/or satellite dishes which do not protrude above the roof line of the dwelling located on 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 an outdoor antenna or similar device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received. Satellite dishes will be allowed only with prior approval of the Architectural Control Committee and must include location, size, color and shall not be visible from street on which house fronts.

Section 12. 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) for safety reasons.

Section 13. 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 of a Lot may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. All drainage swales must have dry stacked stone at each crossing which shall be approved by Architectural Control Committee prior to installation. 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 Person causing the damage at its sole expense.

Section 14. Sight Distance at Intersections No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the

intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 15. Clotheslines Garbage Cans, Woodpiles, Etc No clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be permitted unless concealed from view by hedges, lattice-work or screening acceptable to the Architectural Control Committee. All garbage cans must comply with City of Huntsville standards. No underbrush or other unsightly growths shall be permitted to grow or remain upon the premises and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. All construction debris, 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 Community as needed for efficient construction and to allow the developer 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.

Section 16. Subdivision of Lot 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 alter any Lot or Lots owned by Declarant. Any such division or boundary line change shall not be in violation of the applicable subdivision and zoning regulations.

Section 17. Guns The use of firearms in the Community is not permitted. The term "firearms" shall include "BB" guns, pellet guns and small firearms of all types.

Section 18. Fences No fence shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior consent of the Architectural Control Committee. The Architectural Control Committee may issue guidelines detailing acceptable fence styles or specifications including stone, brick and/or iron.

It is the responsibility of each Owner to maintain fences located along their Lot lines, except where the fence is located between lots, then, it is the responsibility of each Owner to pay one-half (1/2) the cost of maintenance of said fence. In the event any Owner shall fail to maintain their fence after notice by the Association, then, the Association may make such repairs and charge the Owner the cost of such repair plus a twenty-five (25%) service fee. Any damage done to the fencing shall be repaired solely at the expense of the Owner, who, or whose agents or invitees, caused such damage.

Section 19. Utility Lines No overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

Section 20. Air Conditioning Units and Utility Meters No window air conditioning units may be installed. No air conditioning apparatus, utility meter or unsightly projection shall be attached to the front of any dwelling or attached to the side of any dwelling unless hidden from view of the street by fence or landscaping.

Section 21. Artificial Vegetation, Exterior Sculpture and Other Outdoor Features No artificial vegetation shall be permitted on the exterior of any property. All exterior features including but not limited to sculptures, fountains, columns, balusters, flags, flag poles and other similar items must be approved by the Architectural Control Committee prior to construction.

Section. 22. Energy Conservation Equipment No solar energy collector panels or attendant hardware, windmills 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 Architectural Control Committee.

Section 23. Swimming Pools In-ground swimming pools and spas are permitted and must be located in the rear of property only. Above ground swimming pools shall not be permitted.

Section 24. Lighting Exterior lighting shall be reasonable and may be limited by the Board of Directors; flood lighting shall not be visible from the front street.

Section 25. Lakes or Ponds The Community shall maintain ponds, if any, constructed by Developer in Common Property. Any other ponds must be approved by the Architectural Control Committee and maintained by the individual lot owners.

Section 26. Exteriors Except as may be permitted by the Architectural Control Committee, the exterior of all improvements within the Community must be completely made of wood, brick, stone or previously approved hardiboard or hardiplank. All exteriors must be approved by the Architectural Control Committee prior to construction. No Owner shall change the roof type, color of shingles, brick type or color, or stone type without the prior written consent of the Architectural Control Committee.

(a) The Architectural Control Committee shall provide a list of approved brick, stone and appropriate mortar mixes. The exterior must be from that list.

(b) All Shingles must be architectural grade and the color must be earthtone and approved by Architectural Control Committee prior to construction.

(c) All Roofs must contain a pitch of at least 10 on 12 unless approved by Architectural Control Committee prior to construction.

(d) All windows must be wood or vinyl-clad wood and the specifications for such windows must be submitted to Architectural Control Committee for approval prior to construction. No vinyl or aluminum windows will be permitted.

(e) All exterior paint colors must be selected from the Architectural Control Committee's approved list.

Section 27. Window Coverings The portion of all window coverings visible from the exterior of any dwelling shall be white or off-white unless otherwise prior approved by the Architectural Control Committee.

Section 28. Minimum Building Size All Dwellings shall contain a minimum of heated living space which space shall specifically exclude, without limitation, open porches, garages and unfinished storage areas as follows: 2200 sq. ft. for Lots containing approximately 65 feet of street frontage; 2600 sq. ft. for Lots containing between approximately 65 and 85 feet of street frontage; 3000 sq. ft. for Lots containing between approximately 85 and 100 feet of street frontage; 3400 sq. ft. for Lots containing between approximately 100 and 150 feet of street frontage and 3800 sq. ft. for all Lots containing over 150 feet of street frontage.

Section 29. Setback Lines All setback lines shall be established and approved by the Architectural Control Committee. There are three types of lots: Carriage, Manor and Estate Lots. The setback lines vary by lot type and are as follows:

(a) Carriage lots must have a minimum 20 foot setback from the front property line to the house facade. Buildings must be setback from the side property line in accordance with current City of Huntsville, Alabama zoning regulations. All buildings on the Carriage lots must be a minimum of 25 feet from the rear property line and garages shall be placed either 5 feet from the property line or 20 feet or greater from the main structure and must be approved by the Architectural Committee prior to construction. Bay windows may extend up to 2 feet into the front yard.

(b) Manor lots must have a minimum 20 foot setback from the front property line to the house facade. Buildings must be setback a minimum of 10 feet from the side property lines with a minimum of 20 feet between buildings. There shall be a minimum setback of 35 feet from the rear property line. Bay windows may extend up to 3 feet into the front yard.

(c) Estate lots must have a minimum 40 foot setback from the front property line to the house facade. Buildings must be setback a minimum of 12 feet from the side property lines with a minimum of 24 feet between buildings. There shall be a minimum 35 foot setback from the rear property line. Bay windows may extend up to 3 feet into the front yard.

No building shall be located on any Lot nearer to the front Lot line than as shown on the Plat of the property as recorded in the Office of the Judge of Probate of Madison County, Alabama. The Architectural Control Committee may mandate the positioning of the improvements and landscaping for all Lots. Where two or more lots are acquired as a single building site, the side lot lines shall refer only to the lot lines bordering the adjoining property owners.

Section 30. Maximum Height of Improvements All improvements shall not exceed current City of Huntsville, Alabama zoning regulations.

Section 31. Mailboxes All mailboxes, erected on any Lot, must conform to one standard design. The Declarant further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Property in Hawks Ridge. A design will be provided and approved by the Declarant or the Architectural Control Committee and such design will be made available to the Owner upon approval of building plans for the Lot by the Architectural Control Committee. Builders shall purchase and install all mailboxes during initial construction pursuant to the Uniform Mailbox Regulations approved by the Declarant or the Architectural Control Committee.

Section 32. Storage Tanks No above ground storage tank shall be permitted on any Lot without the prior written consent of the Architectural Control Committee.

Section 33. Gardens No vegetable gardens, compost gardens, greenhouses or other food source planting shall be allowed in the front of a line drawn parallel with the front of any dwelling on any Lot.

Section 34. Land Elevation and Landscape Plan All landscaping shall be in accordance with the landscaping specifications established by the Architectural Control Committee and attached hereto as Exhibit "E". All land elevation and landscape plans must be approved by the Architectural Control Committee prior to the commencement of any work.

Section 35. Driveways All driveways must be concrete unless approved by the Architectural Control Committee prior to construction. No asphalt driveways are permitted. The driveways specifications vary by lot type and are as follows:

(a) Carriage Lot driveways must be a single width drive lane with connection at the street. The width of the driveway must not exceed 12 feet. There shall be no parking pads in the front yard.

(b) Manor and Estate Lot driveways must be a maximum of 12 feet wide and there will be no circular driveways in the front yard unless such is approved by the Architectural Control Committee. There shall be no parking pads at the street.

Section 36. Outdoor Furniture No outdoor furniture shall be permitted in the front or side yard of any Lot.

Section 37. Swing Sets and Trampolines All swing sets and trampolines shall be located in the rear of the Lot and shall not be visible from the street. Owner agrees to indemnify and hold Declarant harmless for any injury or damage which may result.

Section 38. Temporary Structures No temporary structures of any kind shall be permitted to remain on any Lot; however, this provision shall not apply to Lots owned by the Declarant.

Section 39. Parking and Garages Garages must contain two interior parking spaces and can be attached to or detached from the house. Garage doors must be located on the side of the house facing away from the street.

Section 40. Approved Builder Due to the close proximity of the homes constructed and the need for harmonious design, Declarant has determined that only approved builders should be allowed to construct a Dwelling within Hawks Ridge. Declarant shall maintain a list of approved builders. Other than the approved builders on such list, no other builder may construct a Dwelling in Hawks Ridge without approval of Declarant.

Article VII
Architectural Control Committee

Section 1. Committee Composition The Architectural Control Committee shall consist of not less than three (3) nor more than seven (7) persons, each of whom shall be appointed or elected as provided in Section 2 below. The members of the Architectural Control Committee may, but shall not be required to be, members of the Association or Owners of any Lot or Dwelling. The term of office for each member of the Architectural Control Committee shall be three (3) years (coinciding with the fiscal year of the Association), except as provided in Section 2(d) below. Each Owner, by acceptance of a deed to or other conveyance to a Lot or Dwelling, shall be deemed to ratify the provision of Section 2 below.

Section 2. Appointment and Removal of Architectural Control Committee Members

(a) For so long as Declarant owns any portion of the Dwelling, or until such earlier date as Declarant may elect, in Declarant's sole discretion, Declarant shall have the sole and exclusive right to appoint and remove all the members of the Architectural Control Committee.

(b) At such time as Declarant no longer owns any portion of the Dwelling or, upon Declarant's written notice to the Association that it no longer desires to exercise the right to appoint and remove members of the Architectural Control Committee as Provided in Section 2(a) above, then the members of the Architectural Control Committee shall be appointed by the Association.

(c) Any member of the Architectural Control Committee may be removed, with or without cause, by (i) Declarant, in its sole discretion, during the period of time that the provision of Section 2(a) above are in effect or (ii) the Association, in the event the provision of Section 2(b) above are in effect. In the event of death or resignation of a member of the Architectural Control Committee, then Declarant, in the event the provisions of Section 2(a) above are applicable, or the Association, in the event the provisions of Section 2(b) above are applicable, as the case may be, shall appoint a substitute member of the Architectural Control Committee to fill the vacancy of such deceased or resigning member for the remainder of the terms of such former member.

(d) The Declarant shall appoint the initial Architectural Control Committee for terms ranging from one (1) to three (3) years each, in Declarant's sole discretion. At the expiration of

the term of office of each respective member of the initial Architectural Control Committee, Declarant, in the event the provisions of Section 2(a) are applicable, or the Association, in the event the provisions of Section 2(b) are applicable, shall appoint a successor of such member for a period of three (3) years.

Section 3. Procedure and Meetings The Architectural Control Committee shall select a chairman and he or she, or in his or her absence, the vice-chairman, shall be the presiding officer at all meetings of the Architectural Control Committee. The Architectural Control Committee shall meet as necessary as well as upon call of the chairman or vice-chairman, and all such meetings shall be held at such places as may be designated by the chairman or vice-chairman. A majority of the total number of members of the Architectural Control Committee shall constitute a quorum of the Architectural Control Committee for the transaction of business and the affirmative vote of a majority of those present in person or by proxy at a meeting of the Architectural Control Committee shall constitute the action of the Architectural Control Committee on any matter which comes before it. The Architectural Control Committee is authorized to retain the services of consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys in order to advise and assist the Architectural Control Committee in performing its functions set forth herein. Each member of the Architectural Control Committee may be paid a stipend or honorarium as may from time to time be determined by the Declarant in the event the provision of Section 2(a) above are applicable or the Association, in the event the provision of Section 2(b) above are applicable and shall otherwise be entitled to a reimbursement of expenses incurred on behalf of the Architectural Control Committee, subject to the approval of such expenses by the Declarant, in the event the provisions of Section 2(a) above are applicable or the Association, in the event the provision of Section 2(b) above are applicable. The Architectural Control Committee shall have the right from time to time to adopt and establish such rules and regulations as may be determined to be necessary concerning the procedure, notice of meetings and all other matters concerning the conduct of the business of the Architectural Control Committee.

Section 4. Architectural Standards The Architectural Control Committee is hereby authorized but not required to promulgate and amend or modify from time to time written Architectural Standards governing policies, guidelines and minimum requirements to be satisfied with respect to the construction, location, landscaping and design of all Dwellings and other Improvements on any Lot, the content and manner in which plans and specifications and other documentation and information concerning the construction of any Dwelling or other Improvements on a Lot are to be submitted to and approved by the Architectural Control Committee and any other matters affecting the construction, repair or maintenance of any Dwelling or other Improvements on any Lot. The Architectural Standards adopted by the Architectural Control Committee shall be in addition to the provisions and requirements set forth in these Covenants and shall be binding upon and enforceable against all Owners.

Section 5. Approval of Plans and Specifications

(a) In order to preserve the Architectural and Aesthetic appearance and the natural setting and beauty of the dwelling, to establish and preserve a harmonious design for the development and to protect and promote the value of the development, the property, the Lots, the Dwellings

and all improvements thereon, no improvements of any nature shall be commenced, erected, installed, placed, moved onto, altered, replaced, relocated, permitted to remain on or maintained on any Lot or dwelling by any owner, other than Declarant, which affect the exterior appearance of any Lot or Dwelling unless plans and specifications compliant with the Architectural and Landscape Guidelines therefore have been submitted to and approved by both the Architectural and Landscape Control Committee in accordance with the terms and provisions of Section 5(b) below. Without limiting the foregoing, the construction and installation of any dwellings, sidewalks, driveways, parking lots, mailboxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, exterior lights, radio or television antennas, gazebos, guest or servants' quarters, garages or any other outbuildings, shall not be undertaken, nor shall any exterior addition to or change or alteration be made (including, without limitation, painting or staining of any exterior surface) to any dwelling or improvements, unless the plans and specifications for the same have been submitted to and approved by the Architectural Control Committee in accordance with the terms and provision of Section 5(b) below.

(b) The Architectural Control Committee is hereby authorized and empowered to approve all plans and specifications and the construction of all Dwellings and other Improvements on any part of the Property. Prior to the commencement of any Dwelling or other Improvements on any Lot or Dwelling, including landscaping, the Owner thereof shall submit to the Architectural Control Committee plans and specification and related data for all such Improvements, which shall include two copies of each of the following:

(i) Plans and specifications of a scale of $\frac{1}{4}'' = 1'0''$ or larger, to include the following:

1. Exterior elevations of all Improvements.
2. Note all finish floor elevations.
3. Note all exterior materials.
4. Foundation plan.
5. Floor plans for each floor of the Dwelling to be constructed.
6. Note square feet of living space per floor and total.

(ii) Color samples and specifications, to include the following:

1. Color samples of all exterior materials and finishes.
2. Completed "Plan Review Form" provided by the Declarant.

(iii) Site dwelling plan by a licensed surveyor at a scale of $1'' = 20'$ indicating the following:

1. Lot lines, building setbacks, utility easements and adjacent street(s).
2. Existing grades at 2' intervals from the edge of the pavement along the entire width of the Lot to a minimum of 30' behind the

Dwelling to be constructed or greater if affected by construction, to be defined as the "Construction Area".

3. Location of all trees 6" in diameter and larger located within the Construction Area, and note which of those existing trees are to be cleared.
4. Location of waste disposal field.
5. Erosion control in accordance with the Watershed Protective Covenants.
6. Footprint and finish floor elevation of Dwelling to be constructed.
7. Location and size of driveways, decks, terraces, patios, outbuildings, retaining walls, mechanical units, utility meters and drainage pipes.
8. Proposed layout of underground utility lines from the street to the Dwelling to be constructed.
9. Proposed grades at 2' intervals tied to existing grades.
10. 15' undisturbed setback line along the side Lot lines shown.

(iv) An exterior lighting plan, including specifications for any exterior lighting to be utilized with respect to such Lot or Dwelling.

(v) A landscaping plan prepared and submitted in accordance with the provisions of Section 6 below.

(vi) Such other plans, specifications or other information or documentation as may be required by the Architectural Standards.

(c) The Architectural Control Committee shall, in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. One copy of all plans, specifications and related data so submitted to the Architectural Control Committee shall be retained in the records of the Architectural Control Committee and the other copy shall be returned to the Owner submitted the same marked "approved", "approved as noted" or "disapproved". The Architectural Control Committee shall establish a fee to be charged to and paid by each Owner who submits plans and specifications to the Architectural Control Committee for approval, which fee shall be sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained in order to approve such plans and specifications and to monitor and otherwise enforce the terms hereof. Notwithstanding anything provided herein to the contrary, an Owner may, without the necessity or requirement that Architectural Control Committee approval or consent be obtained, make interior improvements and alterations with his Dwelling that do not affect exterior appearance and that do not increase the Living Space within such Dwelling as previously approved by the Architectural Control Committee.

(d) The Architectural Control Committee shall have the right to disapprove any plans and specifications upon any ground which is consistent with the objectives and purposes of these covenants, including purely aesthetic considerations, any failure to comply with any of the provisions of these Covenants or the Architectural Guidelines, failure to provide requested

information, objection to exterior design, appearance or materials, objection on the ground of incompatibility of any such proposed improvements with the scheme of development proposed for the Development or the Property, objection to the location of any proposed Improvements on any such Lot, objection to the landscaping plan for such Lot or Dwelling, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvements or any other matter which, in the sole judgment of the Architectural Control Committee, would render the proposed Improvement inharmonious with the general plan of development contemplated for the Development. The Architectural Control Committee shall have the right to approve any submitted plans and specifications with conditions or stipulations by which the Owner of such Lot or Dwelling shall be obligated to comply and must be incorporated in to the plans and specifications for such Improvements or Dwelling. Approval of plans and specifications by the Architectural Control Committee for such Improvements to one particular Lot or Dwelling shall not be deemed an approval or otherwise obligate the Architectural Control Committee to approve similar plans and specifications or any of the features or elements for the Improvements for any other Lot or Dwelling within the Development.

(e) In the event the Architectural Control Committee fails to approve, or “approved as noted”, in writing any such proposed plans and specifications within forty-five (45) days after such plans and specifications have been submitted, then the specifications so submitted will be deemed to have been disapproved.

(f) Any revisions, modifications or changes in any plans and specifications previously approved by the Architectural Control Committee must be approved by the Architectural Control Committee in the same manner specified above.

(g) If construction of any Dwelling or Improvements has not substantially commenced (by clearing and grading, pouring of footing and otherwise commencing framing and other related construction work) within one (1) year of acquisition of the Lot, then no construction may be commenced (or continued) on such Lot or Dwelling and the Owner of such Lot or Dwelling shall be required to resubmit all plans and specifications for any such Dwelling or Improvements to the Architectural Control Committee for approval in the same manner specified above.

(h) In addition to all other fees charged to and paid by each Owner pursuant to these Covenants, the Owner of any Lot or Dwelling shall pay such reasonable “tap-on” fees and service fees as may be established by the Association, the Declarant, or any municipal association that have any jurisdiction over such matters for any sanitary sewer system serving any such Lot or Dwelling.

(i) Any approval of plans and specifications by the Architectural Control Committee pursuant to this Section 5 shall not be construed in any respect as a representation or warranty of the Architectural Control Committee, the Declarant, or the Association that such plans are in conformity with any applicable rules, regulations, and requirements of any Governmental Authorities or that any such plans or the Dwelling based thereon is properly designed. It shall be the responsibility of each Owner who submits any such plans to the Architectural Control Committee to satisfy himself as to such conformity and proper design.

Section 6. Landscaping Approval & Guidelines In order to preserve, to the extent practicable, the natural landscaping and plant life currently situated on the Property and in order to enhance the aesthetic appearance of the Property, no landscaping, grading, excavation or fill work of any nature shall be implemented or installed by any Owner, other than Declarant, on any Lot or Dwelling unless and until landscaping plans therefore have been submitted to and approved by the Architectural Control Committee. The provisions of Section 5 above regarding the method that such plans are to be submitted to the Architectural Control Committee the time for approval or disapproval of the same and the method of approving modifications or changes thereto shall be applicable to such landscaping plans. The landscape guidelines vary by lot type and are as follows:

(a) Carriage Lot Landscape Guidelines

(i) Front Yard Landscape Zone A minimum of one ornamental tree shall be located in this zone.

(ii) Corner Yard Landscape Zone A minimum of one additional shade or ornamental tree shall be planted in this zone.

(iii) Rear & Side Yard Landscape Zone A minimum of two additional shade trees and two ornamental trees shall be planted in this area. A thirty foot restoration zone is designed on all rear lot lines to maintain the natural woodland appearance of the site. A minimum of two hardwood overstory trees, one native ornamental, and five gallon shrubs will be required for every one hundred feet of property line or lot width, whichever is less. This restoration zone shall be seeded with native grasses and an appropriate edge established. The plant material minimum size shall be two and one half inches in diameter for overstory trees, six feet in height for ornamental trees, and twenty-four inches in height for shrubs.

(b) Manor Lot Landscape Guidelines

(i) Front Yard Landscape Zone A minimum of one shade tree and two ornamental trees shall be planted in this zone. 50% of this area shall be preserved. 30% of the area shall be planted with materials other than lawn.

(ii) Corner Yard Landscape Zone A minimum of one additional shade and one ornamental tree shall be planted in this zone.

(iii) Rear & Side Yard Landscape Zone A minimum of two additional shade trees and two ornamental trees shall be planted in the 25% preservation zone. All efforts must be taken to preserve all of the 100% preservation zone. Zone is designated from the 25% & 50% restoration zones into the 100% preservation zone to maintain the natural woodland character of the site. A minimum of two hardwood overstory trees, one native ornamental, and five gallon shrubs will be required for every one hundred feet of property line. This restoration zones shall be seeded with native grasses and an appropriate edge established. The plant material minimum size shall be two and one half inches in diameter for overstory trees, six feet in height for ornamental trees, and twenty four inches in height for shrubs.

(c) Estate Lot Landscape Guidelines

(i) Front Yard Landscape Zone A minimum of one shade tree and two ornamental trees shall be planted in this zone. 50% of this area shall be preserved. 20% of the area shall be planted with materials other than lawn.

(ii) Corner Yard Landscape Zone A minimum of one additional shade and one ornamental tree shall be planted in this zone.

(iii) Rear & Side Yard Landscape Zone A minimum of two additional shade trees and two ornamental trees shall be planted in the 25% preservation zone. All efforts must be taken to preserve all of the 100% preservation zone. Zone is designated from the 25% & 50% restoration zones into the 100% preservation zone to maintain the natural woodland character of the site. A minimum of two hardwood overstory trees, one native ornamental, and five gallon shrubs will be required for every one hundred feet of property line or lot length, whichever is less. This restoration zones shall be seeded with native grasses and an appropriate edge established. The plant material minimum size shall be two and one half inches in diameter for overstory trees, six feet in height for ornamental trees, and twenty four inches in height for shrubs.

Section 7. Construction Without Approval If (a) any Improvements are initiated, installed, maintained, altered, replaced or relocated on any Lot or Dwelling without Architectural Control Committee approval of the plans and specifications for the same or (b) the Architectural Control Committee shall determine that any approved plans and specifications for any Improvements or the approved landscaping plans for any Lot or Dwelling are not being complied with, then, in either event the Owner of such Lot or Dwelling shall be deemed to have violated these Covenants and the Architectural Control Committee shall have the right to exercise any of the rights and remedies set forth in Section 13 below.

Section 8. Inspection The Architectural Control Committee or any agent, employee or representative thereof may at any reasonable time and from time to time enter upon and inspect any Lot or Dwelling or any Improvements being constructed thereon in order to determine whether the approved plans and specifications therefore are being complied with. Any such entry shall not be deemed to be a trespass or any other wrongful act by the Architectural Control Committee.

Section 9. Subsurface Conditions

(a) The property is located in an area which includes underground geological formations or conditions which may result in surface subsidence. Approval of the submitted plans and specifications by the Architectural Control Committee as herein provided shall not be construed in any respect as a representation or warranty of the Architectural Control Committee and/or the Declarant and/or the Association to the Owner submitting such plans and specifications. It shall be the sole responsibility of the Owner to determine the suitability and adequacy of the surface and subsurface conditions of the Lot for the construction of any and all Dwellings or other Improvements thereon.

(b) Neither the Architectural Control Committee and its individual members, nor the Association and its members, nor the Declarant and its partners, agents and employees and the officers, directors, agents and employees of its partner (both in its capacity as a Declarant as herein described and as the owner or property owner of any mineral subjacent to the Property), shall be liable to any Owner or Occupant, or the Successors, assigns, licensees, lessees, employees, and agents of any Owner or Occupant, for loss or damage on account of injuries to any parcel of the Property, to any buildings, Improvements, Dwellings or other structures now or hereafter located upon any parcel of the Property, or on account of any past or future injuries to any Owner, Occupant, or any other person in or upon any parcel of the Property, which are caused by, or arise as a result of soil and/or subsurface conditions, known or unknown (including, without limitation, geological formations or conditions) under or on the Property.

Section 10. Limitation of Liability Notwithstanding anything provided herein to the contrary, neither Declarant, the Association, the Architectural Control Committee, nor any agent, employee, representative, member, shareholder, partner, joint venture, officer or director thereof, shall have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any plans and specifications submitted, reviewed or approved in accordance with the provision of this Article VII, (b) any defects, structural or otherwise, in any work done according to such plans and specifications, (c) the failure to approve or the disapproval of any plans, drawings, specifications or other data submitted by any Owner for approval pursuant to the provisions of this Article VIII, (d) the construction or performance of any work related to such plans, drawings, and specifications, (e) bodily injuries (including death) to any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or Occupant, or any damage to any Dwellings, Improvements or the personal property of any Owner, Occupant or those respective family members, guests, employees, servants, agents, invitees, or licensees of such Owner or Occupant, which any be caused by or arise as a result of any defect, structural or otherwise, in any Dwelling or Improvements or the plans and specifications therefore or any past, present or future soil and/or subsurface conditions, known or unknown (including, without limitation, geological formations or conditions on or under any Lot or Dwelling) and (f) any other loss, claim, damage, liability or expense, including court costs and attorneys' fees suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Lot or Dwelling or any Improvements situated thereon.

Section 11. Commencement and Completion of Construction

(a) With respect to each Lot, construction of the Dwelling shall be commenced within one (1) year from the date of purchase of such Lot from Declarant. Upon commencement of construction of such Dwelling, construction work thereon shall be prosecuted diligently and continuously and shall be complete within one (1) year of the commencement date of said construction without prior approval of the Architectural Committee or the Declarant, such completion to be evidenced by a certificate of occupancy issued by the appropriate Governmental Authorities. In addition to all other rights and remedies for breach of these Covenants, in the event the Owner of any Lot shall fail to commence construction of a Dwelling within (1) year from the date of purchase of such Lot from Declarant, then Declarant shall have the option, but

not the obligation, to repurchase such Lot for an amount equal to the purchase price paid to Declarant for such Lot, without interest.

(b) If any Owner who is a participant in Declarant's approved builder program ("ABP") fails to comply, in Declarant's sole discretion, with all terms, conditions and provisions of the ABP, Declarant shall have the right, but not the obligation, to repurchase any Lot owned by any such Owner upon which construction of a Dwelling or site preparation has not yet commenced, at an amount equal to the purchase price paid to Declarant for such Lot, without interest.

Section 12. Sales and Construction Activities Notwithstanding any provisions or restrictions contained in these Covenants to the contrary, Declarant, its agents, employees, successors and assigns, shall have the right and option to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvements, and sale of Lots and/or Dwellings or the development of Lots, Dwellings, Common Property and the Additional Property, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, all as may be approved by Declarant from time to time; provided, however, that the location of any construction trailer of any assignees of Declarant's rights under this Section 5.12 shall be subject to Declarant's approval. The right to maintain and carry on such facilities and activities shall include, without limitation, the right to use Dwellings as model dwelling and as offices for the sale of Lots and/or Dwellings and for any related activities.

Section 13. Enforcement and Remedies In the event any of the provisions of this Article VI are breached or are not otherwise being complied with in all respects by any Owner or Occupant or the respective family members, guest, invitees, agents, employees or contractors of any Owner or Occupant, then the Architectural Control Committee and the Association shall each have the right, but not the obligation, at their option to (a) enjoin any further construction on any Lot or Dwelling and require the removal or correction of any work in place which does not comply with the plans and specifications approved by the Architectural Control Committee for such Improvements and/or (b) through their designated agents, employees, representatives and independent contractors, enter upon such Lot or Dwelling and take all action necessary to extinguish such violation or breach. All costs and expenses incurred by the Architectural Control Committee or the Association in enforcing any of the provisions of this Article VI, including, without limitation, attorney's fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of nonconforming work, the completion of uncompleted work or in any judicial proceeding, together with any other costs or expenses incurred by the Architectural Control Committee or the Association in causing any Owner or such Owner's contractors, agents or invitees to comply with the terms and provisions of this Article VI, shall be paid by such Owner, shall constitute an individual Assessment to such Owner pursuant to Article IV and if the same is not paid when due, shall be subject to the lien provided for in Article IV and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the Architectural Control Committee and the Association set forth herein shall not be deemed exclusive of any other rights and remedies which the Architectural Control Committee or the Association may exercise at law or in equity or any of the enforcement rights specified in this declaration.

Section 14. Compliance Certification The Architectural Control Committee or any authorized representative thereof shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to an Owner a certificate in writing setting forth whether all necessary Architectural Control Committee approvals have been obtained and whether any Dwelling or Improvement has been constructed in accordance with the provisions of these Covenants. Any such approval shall not be construed in any respect as a representation or warranty of the Architectural Control Committee and/or Declarant and/or the Association that all applicable rules, regulations and requirements of all Governmental Authorities with respect to any such Lot or Dwelling have been fulfilled.

Section 15. Repurchase Option In the event the Owner of any Lot desires to convey such Lot prior to the expiration of one (1) year after the purchase of such Lot from Declarant, and in the event the Owner has not then commenced construction of a Dwelling thereon, Declarant shall have and retain the option, but not the obligation, to purchase such Lot for an amount equal to the purchase price paid to Declarant for the Lot, without interest. Any such Owner shall give Declarant written notice of such Owner's desire to sell such Lot, and Declarant shall have thirty (30) days after receipt thereof to exercise Declarant's option to purchase such Lot.

Article VIII Insurance and Casualty Losses

Section 1. Insurance on Common Property The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property and the entry features, if any, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars.

The Board is hereby authorized to contract with or otherwise arrange to obtain the insurance coverage required hereunder through the Declarant and to reimburse Declarant for the cost thereof, and Declarant shall be authorized, but not obligated, to purchase such insurance coverage for the benefit of the Association and the Owners upon Declarant and Association agreeing upon the terms and conditions applicable to reimbursement by the Association for costs incurred by Declarant in obtaining such coverage. Notwithstanding anything contained in this Declaration to the contrary, the Board shall not be required to comply with the provisions of this Article if the Board has contracted for or otherwise arranged to obtain the required insurance coverage through the Declarant.

Premiums for all insurance 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 benefited parties, as further identified in subparagraph (b), below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in Alabama.

(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's Board of Directors hereunder 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 the county where the Community is located.

(e) The Association's Board of Directors shall be required to make every 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 canceled, invalidated, or suspended on account of any one or more individual Owners;

(iv) that no policy may be canceled, subjected to nonrenewal, 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, 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 canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined in the directors' best business judgment, and, if available, shall at least equal three (3) months' assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

Section 2. Individual Insurance By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots, and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, if reasonably available, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner. The Association shall have the right, but not the obligation, at the expense of the Owner, to acquire the insurance required to be maintained by the Owner if the Owner fails to provide a valid policy to the Association with a prepaid receipt on or before the expiration of any policy. If the Association does acquire insurance on behalf of any Owner, the cost thereof shall be assessed against the Owner and the Lot as a specific assessment.

Section 3. Damage and Destruction -- Insured by Association

(a) In General Immediately after damage or destruction 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 of Directors 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 damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and

location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Repair and Reconstruction Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five (75%) percent of the total Association vote and the Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof) 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 sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

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 of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all owners in proportion to the number of Lots owned by such 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.

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 Community by the Association in a neat and attractive condition.

Section 4. Damage and Destruction - Insured by Owners The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board of Directors shall have all enforcement powers specified in Article XIII, Section 1, of this Declaration.

Section 5. Insurance Deductible 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 hereunder, or under any declaration or contract requiring the Association to obtain such insurance, for maintenance of the damaged or destroyed property.

Article IX
Condemnation

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking, at least seventy-five (75%) percent of the total Association vote other than Declarant and the Declarant (so long as the Declarant has an option unilaterally to subject property to this Declaration as provided in Article X hereof) shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common property to the extent lands are available therefor. The provisions of Article VIII, Section 3, above, applicable to Common property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

Article X
Annexation of Additional Property

Section 1. Unilateral Annexation By Declarant

(a) 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 twenty (20) years after the recording of this Declaration to subject all or any portion of the real property described in Exhibit "C", attached hereto and by reference made a part hereof to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the county in which the property to be annexed is located a supplementary Declaration describing the property being annexed. Any such annexation shall be effective upon the filing for record of such supplementary Declaration unless otherwise provided therein. As long as covenants applicable to the real property previously subjected to this Declaration are not changed and as long as rights of then Owners are not adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any such annexed real property.

(b) The rights reserved unto Declarant to subject additional land to the Declaration 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.

Section 2. Other Annexation Subject to the consent of the owner thereof and the consent of the Declarant (so long as the Declarant has an option to subject additional property to this Declaration as provided above) upon the affirmative vote of a majority of the Association vote present or represented by proxy at a meeting duly called for such purpose, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the county in which the property to be annexed is located a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall

be signed by the president and secretary of the Association and any such annexation shall be effective upon the filing for record of such Supplementary Declaration, unless otherwise provided therein.

Article XI
Mortgagee Provisions

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

Section 1. Notices of Action An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), (therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any 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 Mortgage holders.

Section 2. Special FHLMC Provision So long as required by the Federal Home Loan Mortgage Corporation (The Mortgage Corporation), the following provisions apply in addition to and not in lieu of the foregoing. Unless two-thirds (2/3) of the first Mortgagees or Owners other than the Declarant, give their 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 (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) other than personal property of the Association;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(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 (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 subsection.);

(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.

Nothing contained in this Section 2 shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration for any of the acts set out in this Section 2.

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

Section 3. No Priority No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any 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.

Section 4. Notice to Association Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 5. Amendments by Board 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 changes.

Section 6. VA/HUD Approval As long as the Declarant has an option unilaterally to subject property to this Declaration as provided in Article X, the following actions shall require the prior approval of the Veterans Administration ("VA") so long as the VA is guaranteeing any Mortgage in the Community, and the Department of Housing and Urban Development ("HUD") so long as HUD is insuring any Mortgage in the Community: annexation of additional property to the Community, except for annexation by Declarant in accordance with Article X, Section 1 hereof pursuant to a plan of annexation previously approved by the VA and HUD; dedication of Common Property to any public entity; and material amendment of the Declaration, By-Laws or Articles of Incorporation.

Section 7. Applicability of Article XI 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.

Section 8. Failure of Mortgagee to Respond Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Article XII
Easements

Section 1. Easements for Encroachment and Overhang There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

Section 2. Easements for Use and Enjoyment

(a) Every Owner of a Lot 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 Lot, subject to the following provisions:

(i) The right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Lot Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, and invitees;

(ii) The right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, for any period during which any assessment against his Lot which is hereby provided for remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, By-Laws, or rules and regulations;

(iii) The right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be

subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community.); and

(iv) The right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least a Majority of the Association vote present, or represented by proxy, at a meeting duly called for such purpose and by the Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof).

(b) Any Lot Owner may delegate his right of use and enjoyment in and to the Common Property and facilities located thereon to the members of his family, his tenants and guests and shall be deemed to have made a delegation of all such rights to the occupants of such owner's Lot, if leased.

Section 3. Easements for Utilities There is hereby reserved to the Declarant and the Association blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Declarant or the Association might decide to have installed to serve the Community. It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

The Association shall have a 5-foot access utility and maintenance easement at the rear of each lot. Declarant may have installed underground sprinkler systems in certain of the utility and maintenance easement of the Association and a portion of the Common Property. It is the responsibility of the Association to maintain its sprinkler systems and pay for any utilities used with the operation of said sprinkler systems. It is understood that a portion of this easement is contained within the same area as a utility and drainage easement to the City of Huntsville, Alabama. Improvements made by the Association shall not interfere with facilities required by the City of Huntsville, Alabama.

Section 4. Easement for Entry In addition to the right of the Board to exercise self-help as provided in Article XIII, Section 2, hereof, the Board shall have the right, but shall not be obligated, to enter upon any property within the Community for emergency, security, and safety, which right may be exercised by the manager, and all policemen, firemen, 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.

Section 5. Easement for Maintenance Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required under Article V. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property and reasonable steps shall be taken to protect such property.

In utilizing or accessing any easement retained by or for the benefit of the Declarant, Declarant and its agents or employees shall not be liable for any damage to any landscaping contained within the easement.

Declarant hereby expressly reserves a ten (10) foot easement across each Lot which is parallel and adjacent to each street for use, repair and operation of sidewalks, trails, walkways, directional signs, street lights and other related improvements. Additionally, Declarant hereby expressly reserves a fifteen (15) foot easement along the exterior boundary of each Lot which has a side that creates an exterior boundary of the Community. Said easements are for the construction and maintenance of such improvements as the Declarant deems appropriate. The Association shall be responsible for the maintenance of such improvements at its sole expense.

Article XIII General Provisions

Section 1. Enforcement Each Owner and Occupant shall comply strictly with the By-Laws, the rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed to his or her Lot, if any. The Board of Directors 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 or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors, on behalf of the Association, or, in a proper case, by an aggrieved Owner. Failure by the Association or any Owner 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.

Section 2. Self-Help In addition to any other remedies provided herein, the Association or its duly authorized agent shall have the power to enter upon a Lot or any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the By-Laws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days' written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments.

Section 3. Duration The covenants and restrictions of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually the extent permitted by law; provided, however, should any provision of Alabama law now or hereafter limit the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time any such provisions shall be automatically extended for successive periods of ten (10) years, unless such extension is disapproved by the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the total Association vote and the consent of Declarant (so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof). A written instrument reflecting disapproval must be recorded within the year immediately preceding the beginning of a ten (10) year renewal period. Every purchaser or grantee of any interest (including, without limitation, a security 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.

Notwithstanding anything herein to the contrary, these Covenants, Conditions and Restrictions must remain in force and effect so long as Common Property is owned by the Association.

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 company to issue 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 Lot unless any such Lot Owner shall consent thereto in writing. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration as provided in Article X hereof, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such

amendment shall not materially adversely affect the substantive rights of any Lot Owner hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the total Association vote and the consent of the Declarant (so long as Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof). Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. No provision of this Declaration which reserves or grants special rights to the Declarant shall be amended without the Declarant's prior written approval so long as the Declarant owns any property in the Community, or subject to annexation to the Community, primarily for Community and/or sale.

Notwithstanding anything to the contrary contained in this Section 4, any amendments to Article V, Section 1, which affects the maintenance responsibilities for the Common Property must be approved by the City of Huntsville, Alabama.

Section 5. Partition The Common Property shall remain undivided, and no Lot 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 and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not necessarily limited to, the Lots located within the Community.

Section 6. 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.

Section 7. 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. -

Section 8. Captions 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

Section 9. 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.

Section 10. Indemnification 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 proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an Officer 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.

Section 11. 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 in Article X terminates, 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 Community as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to property described on Exhibit "B" and Exhibit "C" to this Declaration, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Community; the right to tie into any portion of the Community 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 promotional activities in the Community; and the right to construct and operate business offices, signs, construction trailers, model dwelling, and sales offices. Declarant and any such builder or developer may use the dwelling, offices, or other buildings owned or leased by Declarant or such builder or developer as model dwelling and sales offices and may also use recreational facilities available for use by the Community as a sales office without charge. 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. This Section shall not be amended without the Declarant's express written consent so long as the Declarant owns any property in the Community, or subject to annexation to the Community, primarily for development and/or sale.

Section 12. Contracts Executed During Declarant Control All contracts or leases executed by or on behalf of the Association during the period in which the Declarant has the right to appoint the Directors and officers of the Association under the By-Laws shall contain a termination clause permitting the Association to terminate the contract or lease at any time, without cause and without penalty, upon not more than ninety (90) days' written notice.

Section 13. Books and Records

(a) Inspection Members and Mortgagees This Declaration, the By-Laws, copies of rules and use restrictions, 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 first Mortgage at the office of the Association. or at such other reasonable place as the Board shall prescribe.

(b) Rules for Inspection The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records.
- (ii) hours and days of the week when such an inspection may be made; and,
- (iii) payment of the cost of reproducing copies of documents.

(c) Inspection by Directors 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 Association.

Section 14. Financial Review A review of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's reviewed financial statement at the annual meeting, by a Majority of the Association vote present, or represented by proxy, the Owners may require that the accounts of the Association be audited as a common expense by a public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of an audited financial statement within ninety (90) days of the date of the request.

Section 15. Notice of Sale or Lease In the event an Owner sells or leases his or her Lot the Owner shall give to the Association, in writing, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require.

Section 16. Agreements Subject to the prior approval of Declarant (so long as the Declarant has an option to unilaterally subject additional property to this Declaration as provided in Article X above) all agreements and determinations, including settlement agreements

regarding litigation involving the Association, lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

Section 17. 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, 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.

Section 18. Variances Notwithstanding anything to the contrary contained herein, the Architectural Control Committee or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the By-Laws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community. All requests must be in writing and must be approved in writing by Architectural Control Committee.

Section 19. Commencement of Construction In the event construction of a single family dwelling approved by the Architectural Control Committee has not commenced within twelve (12) months from the date of the conveyance of the Lot from Declarant, then, Declarant shall at its sole option have the right to re-acquire such Lot at the price it was sold by Declarant to the initial Owner. It is the intent that this covenant shall run with the land and be binding on the initial Owner and any subsequent purchaser of the initial Owner. In order to exercise this option, Declarant shall give written notice to the then current lot Owner at the lot Owner's last known address and file a notice of Lis Pendens in the Probate Office of Madison County, Alabama putting on notice third parties of Declarant's intent to exercise such right of repurchase.

Section 20. Construction Improvements All construction sites must be kept clean and free of debris during construction and must be removed at least weekly. All port-o-lets shall not be visible from the street. No burning shall be permitted on the property and no mud, dirt, concrete, gravel or other debris shall remain in the street. All vehicles must park off the street and enter the Lot via the driveway. All construction shall be approved by the Architectural Control Committee prior to construction and all owners shall obtain the necessary permits for the improvements and landscaping.

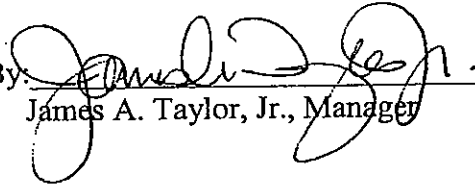
Section 21. Landscaping If the landscaping approved by the Architectural Control Committee has not been completed by the Owner within six (6) months of the issuance of the Certificate of Occupancy, then, the Association, or its designee, upon thirty (30) days written notice addressed to the Owner at the subject property's address, may undertake completion of such landscaping deemed by the Association, in its sole discretion, as being appropriate. The Owner shall be charged the actual cost of the completion of such improvements, plus fifty (50%) percent. If the bill for such improvements remains unpaid by the Owner to the Association thirty (30) days after the billing date to the Owner, then, in such event, the Association shall have a lien on the property and the Association may exercise its rights as a non-payment of expenses with the same remedies, including foreclosure, as set out in Section 6 of Article IV hereof. The

Association has a right of entry for it or its employees to complete such landscaping on each Lot in Hawks Ridge.

IN WITNESS WHEREOF, the undersigned, being the duly appointed Manager of Declarant herein, has executed this instrument on this the 1st day of March, 2007.

DECLARANT:

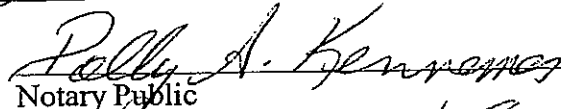
RESERVE DEVELOPMENT GROUP, L.L.C.

By: 
James A. Taylor, Jr., Manager

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that James A. Taylor, Jr., whose name as Manager of RESERVE DEVELOPMENT GROUP, L.L.C., an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Manager, and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this 1st day of March, 2007.


Notary Public
My Commission Expires: 4-8-08

THIS INSTRUMENT PREPARED BY:
ROBERT E. RAWLINSON
STEPHENS, MILLIRONS, HARRISON & GAMMONS
2430 L & N DRIVE
HUNTSVILLE, ALABAMA 35801

EXHIBIT "A"

HAWKS RIDGE FIRST ADDITION, A RESUBDIVISION OF TRACT 1 OF A RESUBDIVISION OF TRACT 12 OF CHAPMAN COVE AND A RESUBDIVISION OF LOT A OF SADDLETREE (PB 17, PG. 100) AND A RESUBDIVISION OF TRACT 1 AND LOT 10 OF HIGH MOUNTAIN ESTATES THIRD ADDITION A RESUBDIVISION OF TRACT 11 OF CHAPMAN COVE AND A RESUBDIVISION OF TRACT 10 OF HIGH MOUNTAIN ESTATES SECOND ADDITION, A RESUBDIVISION OF TRACT 10 OF HIGH MOUNTAIN ESTATES AS RECORDED IN AN AFFIDAVIT BOOK 1006, PAGE 570, AS SAID FINAL PLAT IS RECORDED AS DOCUMENT NO. 20070301000149360, IN THE OFFICE OF THE JUDGE OF PROBATE OF MADISON COUNTY, ALABAMA.

EXHIBIT "B"

Definitions

The following words, when used in this declaration or in any supplementary Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean **HAWKS RIDGE**, a nonprofit Alabama corporation, its successors and assigns. The "Board of Directors" or "board" of the Association shall be the appointed or elected body, as applicable, having its normal meaning under Alabama Corporate law.
- (b) "By-Laws" shall refer to the By-Laws of **HAWKS RIDGE** attached to this Declaration as Exhibit "D" and incorporated herein by this reference.
- (c) "Common Property" shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.
- (d) "Community" shall mean and refer to that certain real property and interests therein described in Exhibit "B", attached hereto, and (i) such additions thereto as may be made by Declarant (or its Mortgagee or transferee, as provided in the Declaration) by Supplementary Declaration of all or any portion of the real property described in Exhibit "C", attached hereto; and (ii) such additions thereto as may be made by the Association by Supplementary Declaration of other real property.
- (e) "Declarant" shall mean and refer to **RESERVE DEVELOPMENT GROUP, L.L.C.**, an **Alabama limited liability company**, and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit "A", attached hereto, or in Exhibit "C", attached hereto, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance; provided, further, upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "A", attached hereto, and in Exhibit "C", attached hereto, which is now or hereafter subjected to this Declaration, there shall be only one (1) "Declarant" hereunder at any one point in time.
- (f) "Dwelling" shall mean a house intended to be occupied as a single-family residence.
- (g) "Lot" shall mean any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single-family dwelling site as generally described as Exhibit "A" and conveyed

by Developer as a separate parcel or tract. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the right, title, and interest of an Owner in the Common Property, which shall include, without limitation, membership in the Association.

(h) "Majority" means those eligible votes, Owners or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

(i) "Mortgage" means any mortgage, deed of trust, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

(j) "Mortgagee" shall mean the holder of a Mortgage.

(k) "Occupant" shall mean any Person occupying all or any portion of a dwelling or other property located within the Community for any period of time, regardless of whether such Person is a tenant of the Owner of such property.

(l) "Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

(m) "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, or other legal entity.

(n) "Property Owner," "Owner of Property," and "Owner" when used in this Declaration shall mean and refer to all owners of an interest in real property in Hawks Ridge which has been subjected to the provisions of this Declaration, including, but not limited to, owners of property of tracts of land and owners of condominium units, whether such property, tracts or units are used & intended to be^e used for residential, commercial or recreational purposes.

(o) "Supplemental Declaration" means an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

(p) "Architectural Control Committee" means the committee responsible for ensuring and regulating the architectural and aesthetic standard of the Community.

EXHIBIT "C"

Any parcel of real estate contiguous to the property described in Exhibit "A" attached hereto and made a part hereof by reference.

EXHIBIT "D"
TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HAWKS RIDGE
BY-LAWS

These By-Laws of Hawks Ridge Homeowners Association, Inc. are promulgated for the purpose of governing Hawks Ridge Homeowners Association, a not-for-profit corporation, organized under the provisions of the Alabama Nonprofit Corporation Act, Section 10-3A-1 et seq., as amended, as an association of members of Hawks Ridge, a Planned Unit Development ("PUD"). The provisions of these By-Laws are applicable to the Property of the PUD.

As used herein, the term "Association" shall be the equivalent of "Association" as defined in the Declaration of Covenants, Conditions and Restrictions of Hawks Ridge (herein "Declaration"), and all words as used herein shall have the same definitions as attributed to them in said Declaration. The provisions of these By-Laws shall automatically become applicable to Property which may be added to the PUD pursuant to the Declaration upon the recording of an amendment to the Declaration submitting such additional Property to its provisions.

All present and future owners, mortgagees, lessees and occupants of the Lots in the PUD and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and all covenants, agreements, restrictions and easements of record ("title conditions"). The acceptance of a deed or the occupancy of a home constructed on a Lot shall constitute an agreement that these By-Laws and the title conditions, as they may be hereafter amended, are accepted and ratified, and will be complied with.

The address of the Office of the Association shall be 3980 High Mountain Road, Huntsville, Alabama 35811.

ARTICLE I - MEMBERSHIP AND MEMBERSHIP MEETINGS

SECTION 1.01. QUALIFICATIONS. The members of the Association shall consist of all of the record owners of Lots in the PUD.

SECTION 1.02. CHANGE OF MEMBERSHIP. Change of membership in the Association shall be established by the recording in the public records of Madison County, Alabama, of a deed or other instrument establishing a record title to a Lot in the PUD, and the delivery to the Secretary of the Association of a certified copy of such instrument, thereby becoming a Member of the Association. The membership of the prior owner shall be thereby terminated.

SECTION 1.03. VOTING RIGHTS. The vote for a Lot shall be cast by the owner thereof, or by his proxy designated in the manner hereinafter provided. The number of votes to which an owner is entitled is provided in the Declaration.

SECTION 1.04. DESIGNATION OF VOTING REPRESENTATIVE AND ELIGIBILITY TO VOTE. In the event a Lot is owned by one (1) person, his right to vote shall be established by the record title to his Lot. If a Lot is owned by more than one (1) person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, partnership, trust or other legal entity, the officer or agent thereof entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by the duly authorized representative of the Board of Directors or other governing body of such entity and filed with the Secretary of the Association. If such a certificate is not filed with the Secretary of the Association for a Lot owned by more than one (1) person, or by a corporation, partnership, trust or other legal entity, the membership, or vote of the Lot Owner concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the Lot. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned is effected. A certificate designating the person entitled to cast the vote of a Lot may be revoked by any owner thereof. In the event any Lot Owner shall be in default of any Assessments against his Lot and shall fail to cure such default at least two (2) days prior to the date fixed for the meeting, the membership or vote of the Lot Owner concerned shall not be considered in determining the requirement for a quorum nor for any proposal requiring the approval of the person entitled to cast the vote for the Lot.

SECTION 1.05 ANNUAL MEETINGS. The Developer shall call the first annual Lot Owners meeting not later than 90 days following the sale of all Lots in all Phases of Hawks Ridge. Thereafter, annual meetings shall be held within thirty (30) days of the anniversary of such date each succeeding year at a day and time determined by the Board of Directors. The annual meeting shall be held for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members.

SECTION 1.06. SPECIAL MEETINGS. Special meetings of the Members may be called by a majority of the Board of Directors or the President for any purpose or purposes, and shall be called by the Secretary at the request, in writing, of one-third (1/3) of the Members. Business transacted at all special meetings shall be confined to the object(s) stated in the notice thereof.

SECTION 1.07. NOTICE OF MEETINGS. Notice of all Members' meetings stating the date, time, place and purpose for which the meeting is called shall be mailed to each Member not less than ten (10) nor more than sixty (60) days prior to the date of such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served. Notice of meetings may be waived either before or after meetings.

SECTION 1.08 VOTING IN PERSON OR BY PROXY. A Member may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact. No proxy shall be valid except for the particular meeting designated therein, and no proxy shall be honored unless filed with the Secretary of the Association before the appointed time of the meeting. No person other than the Developer shall act as proxy for more than one (1) Lot in addition to his own Lot.

SECTION 1.09. QUORUM. Lot Owners holding more than fifty (50%) percent of the votes entitled to be cast represented in person or by proxy shall constitute a quorum at all meetings of the Lot Owners.

SECTION 1.10. VOTE REQUIRED TO TRANSACT BUSINESS. When a quorum is present at any meeting, the vote of a majority of the votes cast shall be necessary for the adoption of any matter voted upon by Lot Owners, unless the question is one upon which, by express provision of the Act, the Declaration, the Articles of Incorporation, or these By-Laws, a different number is required, in which case the express provision shall govern and control the decision in question.

SECTION 1.11. ADJOURNED MEETINGS. If any meeting of the Lot Owners cannot be organized because a quorum has not attended, the Lot Owners who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in Section 1.07 of these By-Laws. The Lot Owners present and entitled to vote at such reconvened meeting shall constitute a quorum, regardless of number.

SECTION 1.12. THE ORDER OF BUSINESS. The order of business at annual Members' meetings and, as far as practical, at all other Members' meetings shall be:

- (a) Call to order;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Election of Directors;
- (h) Unfinished business;
- (i) New business;

(j) Adjournment.

SECTION 1.13. PLACE OF MEETING. Meetings of the Lot Owners shall be held at such place convenient to the Lot Owners as may be designated by the Board of Directors.

ARTICLE II - BOARD OF DIRECTORS

SECTION 2.01. NUMBER AND TERM.

(a) The first Board of Directors shall consist of three (3) members who shall be designated by the Developer.

(b) At the first annual meeting of the Lot Owners of the Association, three (3) persons shall be elected to serve as the Board of Directors, and the term of office of those elected shall be as follows: the term of the office of the person receiving the highest number of votes shall be fixed at three (3) years; the term of office of the person receiving the second highest number of votes shall be fixed at two (2) years and the term of office of the person receiving the third highest number of votes shall be fixed at one (1) year. The election shall be by ballot and by a plurality of votes cast. Each Lot Owner voting must cast his vote (or votes) for as many nominees as there are vacancies to be filled, but there shall be no cumulative voting. Notwithstanding the foregoing, the right of the Lot Owners to elect Directors shall be subject to the right reserved to the Developer under subparagraph (c) of this Section 2.01 to designate the Board of Directors.

(c) So long as the Developer owns one or more Lots, the Developer shall be entitled to designate the Board of Directors. The Developer may remove any Director so designated by it from time to time and replace him with another Director of its own choosing; provided, however, that it shall file with the secretary a designation of the member of the Board designated to serve pursuant to the provisions of this Section 2.01. Developer control of the Association or the Board of Directors shall terminate no later than five (5) years after any development right to add new Lots was last exercised by Developer.

SECTION 2.02. REMOVAL. Any Director other than the Directors designated by Developer may be removed, either with or without cause, by an affirmative vote of fifty-one (51%) percent of the votes eligible to be cast by Lot Owners in person or by proxy at a meeting of Lot Owners duly held for such purpose.

SECTION 2.03. VACANCY AND REPLACEMENT. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the Developer shall choose a successor, who shall hold office for the unexpired term in respect to which such vacancy occurred and if the Developer has already terminated its control of the Association or the Board of Directors, a majority of the remaining Directors, though less than a quorum, at a Special Meeting of Directors duly called for this

purpose, shall choose a successor, who shall hold office for the unexpired term in respect to which such vacancy occurred.

SECTION 2.04. REGULAR MEETINGS. The Annual Meeting of the Board of Directors shall be held immediately after the adjournment of the Annual Members' meeting, provided a quorum shall be present, or as soon thereafter as may be practicable. The Directors may, by resolution duly adopted, establish regular monthly, quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board of Directors shall be required.

SECTION 2.05. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose may be called by the President or upon the written request of any two (2) Directors upon at least five (5) days notice to each Director.

SECTION 2.06. WAIVER OF NOTICE. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 2.07. QUORUM AND TRANSACTION OF BUSINESS. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by the Act, the Declaration or by these By-Laws. If a quorum shall not be present in any meeting of Directors, the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 2.08 POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the PUD and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the Lot Owners. The Board of Directors shall have the power to enforce obligations of the Lot Owners and to do anything and everything necessary and proper for the sound management of the PUD. The Board shall have the power to levy fines against the Lot Owners for violations of reasonable rules and regulations established by it to govern the conduct of the Lot Owners. No fine may be levied for more than Two Hundred Fifty (\$250) Dollars for any one violation but for each day a violation continues after written notice it shall be considered a separate violation. Collection of fines may be enforced against the Lot Owner or Lot Owners involved as if the fines were Common Expenses owed by the particular Lot Owner or Lot Owners. In addition to and not in limitation of the power of the Board of Directors to levy fines against the Lot Owners for violations of its rules and regulations by a Lot Owner, the Board of Directors shall have the power to seek injunctive relief to require such Lot Owner to adhere to the rules and regulations. All expenses in connection with any proceedings for injunctive relief,

including the attorney's fees of the Board of Directors, shall be charged to the particular Lot Owner or Lot Owners involved and collection of same may be enforced against the Lot Owner or Lot Owners involved as if same were Common Expenses owed by the particular Lot Owner or Lot Owners.

SECTION 2.09. COMPENSATION. No Director shall be compensated for his services as such. This provision shall not prohibit a Director from receiving compensation as an employee of the Association, nor preclude the contracting with a Director or any firm or corporation in which a Director may own an interest, for the management of the PUD for which such Director or Directors may receive compensation.

SECTION 2.10. MANAGING AGENT. The Board of Directors shall be authorized to employ the services of a manager or managing agent, who may either be a Director, officer, or employee of the Association, or a firm or corporation in which a Director owns an interest, or any other firm, to manage the Property and the affairs of the PUD under the supervision of the Board of Directors. The compensation paid to any such managing agent shall be in the amount established from time to time by the Board of Directors.

While in control of the project, the Developer cannot directly or indirectly bind the Association unless the management contract includes a Right of Termination Without Cause that the Association can exercise at any time after the transfer of control. This Right of Termination shall not require the payment of any penalty or an advance notice of more than 90 days.

SECTION 2.11. INSURANCE. The Board of Directors shall obtain to the extent reasonably available insurance for the Property which shall include the following:

(1) property insurance insuring against all risks of direct physical loss commonly insured against insuring the Common Elements and Buildings containing the Lots and covering the interests of the PUD, the Board of Directors and all Lot Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Directors, but in no event less than 100% of the current replacement cost with a maximum deductible amount of Ten Thousand (\$10,000.00) Dollars or 1% of the policy face amount, whichever is less, and payable to the Association as Trustee for each of the Lot Owners and their mortgagees, in accordance with the requirements set forth in the declaration;

(2) public liability insurance in such amounts and with such coverages as the Board of Directors may determine, but in no event should such coverage be less than One Million (\$1,000,000.00) Dollars for injury and property damage for any single occurrence; and

(3) fidelity bond coverage in an amount (based upon the estimated annual budget) not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond; provided, however, in no event may the aggregate amount of such funds be less than a sum equal to three months' aggregate assessments on all Lots plus reserve funds; and

(4) such other insurance as the Board of Directors determine.

The premiums shall be Common Expenses. All such policies shall provide that adjustment of loss shall be made by the Board of Directors and that the net proceeds thereof shall be payable to the Board of Directors. The shares and disposition of the proceeds of insurance shall be as set forth in the Declaration. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by Lot Owners or of invalidity arising from any acts of the insured or any Lot Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Lots.

SECTION 2.12. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Lot Owner for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the PUD. The Lot Owners shall indemnify and hold harmless each of the members of the Board of Directors on behalf of the PUD unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is understood and permissible for the Board of Directors, whether stockholders of or employed by the Developer, to contract with the Developer or affiliated firms or corporations, without fear of being charged with self-dealing. It is also intended that the liability of any Lot Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Lot Owners in the Common Elements.

ARTICLE III - OFFICERS

SECTION 3.01. ELECTION. At each annual Meeting of the Board of Directors, the following officers of the Association shall be elected:

(a) A President, who shall be a Director and who shall preside over the meetings of the Board of Directors and of the Members, and who shall be the chief executive officer of the Association.

(b) A Vice-President, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. If the Board so determines, there may be more than one vice-president.

(c) A Secretary, who shall be responsible for the minutes of all meetings of the Board of Directors and of the Members, and the minute book wherein resolutions enacted at such

meetings shall be recorded, and who shall, in general, perform all the duties incident to the office of secretary.

(d) A Treasurer, who shall supervise the financial records and books of account.

(e) Such additional officers as the Board of Directors shall deem necessary.

SECTION 3.02. POWERS. The respective officers shall have the general powers usually vested in such officer of a not-for-profit corporation; provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board of Directors may see fit.

SECTION 3.03. TERM. Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified.

SECTION 3.04. REMOVAL. Any officer elected or appointed by the Board may be removed, with or without cause, by the majority vote of the whole Board of Directors at any regular meeting of the Board or at a special meeting of the Board called for such purpose.

SECTION 3.05. RESIGNATIONS. Any officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Association, unless some time is fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

SECTION 3.06. VACANCIES. If the office of the President, Vice-President, Secretary, Treasurer, or one or more becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors by a majority vote of the whole Board of Directors may choose a successor or successors who shall hold office for the unexpired term.

SECTION 3.07. COMPENSATION. The officers shall receive no compensation for their services.

ARTICLE IV - RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

The responsibility for maintenance and repair of the Property shall be as set forth in the Declaration.

ARTICLE V - ASSESSMENTS

SECTION 5.01. ACCOUNTING RECORDS. The Board of Directors shall provide for the maintenance of accounting records for the Association, such records to be maintained in accordance with generally accepted accounting principles, and such records shall include all records provided for in the Alabama Uniform PUD Act of 1991.

SECTION 5.02. BUDGET. The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated Common Expenses, and cash requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and other expenses. The Common Expenses shall be those expenses designated by the Board of Directors pursuant to these By-Laws and the Declaration. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors, on behalf of the Association, of any Lot which is sold at a foreclosure or other judicial sale. The annual budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. To the extent that the assessments and other cash income collected from the Lot Owner during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. Within 30 days after adoption of any proposed budget for the PUD, the Board shall provide a copy of the budget to all the Lot Owners and shall set a date for a meeting of the Lot Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery or mailing of the budget to the Lot Owners. Unless at that meeting a majority of all the Lot Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board.

SECTION 5.03. ASSESSMENTS. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Lot Owner shall pay, as his respective monthly Assessment for the Common Expenses, one-twelfth (1/12) of his share of the Common Expenses for such year as shown by the annual budget. The Board of Directors, at their option, may require the payment of Assessments on an annual basis. The Assessment of the Common Expenses shall be as set forth in the Declaration. The failure to send or to receive monthly statements shall not relieve any Lot Owner of his obligation to pay his monthly Assessments on or before the first day of each month. Each Lot Owner shall pay his monthly Assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the Board. No Lot Owner shall be relieved of his obligation to pay his Assessment by abandoning or not using his Lot or the Common Elements. For the purpose of this Assessment, the Developer is the Lot Owner of all unsold Lots. All unsold Lots shall be allocated full Assessments no later than three hundred sixty (360) days after the first Lot is sold.

SECTION 5.04. PRORATION OF ASSESSMENTS. For the first fiscal year, the annual budget shall be as approved by the first Board of Directors. If such first year, or any succeeding year, shall be less than a full year, then the monthly Assessment for such Lot Owner for the Common Expenses shall be proportional to the number of months and days in such period covered by such budget. Commencing with the date of closing of his Lot by each Lot Owner, he shall pay his Assessment for the current month or fraction of a month.

SECTION 5.05. ANNUAL STATEMENTS. Within ninety (90) days after the end of each year covered by annual budget, or as soon thereafter as shall be practicable, the Board of Directors shall cause to be furnished to each Lot Owner a statement for such year so ended, showing a summary of the receipts and expenditures and such other information as the Board may deem desirable. Any holder of a first mortgage on a Lot shall be entitled, upon written request, to obtain a copy of the financial statement for the immediately preceding fiscal year.

SECTION 5.06. ACCOUNTS. The Board of Directors shall cause to be kept a separate account record for each Lot Owner showing the Assessment charged to and paid by such Lot Owner, and the status of his account from time to time. Upon fifteen (15) days notice to the Board of Directors, any Lot Owner shall be furnished a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Lot Owner.

SECTION 5.07. SUPPLEMENTAL BUDGET AND ASSESSMENTS. If during the course of any year, it shall appear to the Board of Directors that the monthly Assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board shall prepare a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner for ratification in the same manner as set forth in Section 5.02, and thereupon a supplemental Assessment shall be made to each Lot Owner for his proportionate share of such supplemental budget.

SECTION 5.08. PAYMENT OF ASSESSMENTS. It shall be the duty of every Lot Owner to pay his proportionate share of Common Expenses assessed in the manner herein provided. If any Lot Owner shall fail or refuse to make any such payments when due, the Board of Directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these By-Laws, or otherwise available at law or in equity, for the collection of all unpaid assessments.

SECTION 5.09. RECORDS. The Board of Directors shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the expenses incurred. Such records and financial statements together with current copies of the Declaration and By-Laws concerning the PUD, and vouchers authorizing the payments of such expenses, shall be available upon reasonable prior notice for examination by the Lot Owners during normal business hours at the office of the Association.

SECTION 5.10. RESERVE FUND. To insure that the Association will have the funds to meet unforeseen expenditures or to purchase any additional equipment or services, the Developer will establish a working capital fund in an amount equal to one (1) month assessment for common expenses for each Lot. Amounts paid into this fund shall not be considered an advance payment of the regular monthly assessment. Each Lot's share of the working capital fund shall be collected from the purchaser at the time the sale of the Lot is closed or when control of the project is transferred to the Association, whichever is earlier. When control of the

project is transferred to the Association, the working capital fund will be transferred to the Association for deposit to a segregated reserve fund.

While in control of the Association, the Developer cannot use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up any budget deficits. After transfer of control to the Association, the Developer shall make the required payment to the reserve fund for each unsold Lot. However, when unsold Lots are sold, the Developer may use funds collected from the purchaser at closing to reimburse itself for funds it paid the Association for each unsold Lot's share of the working capital fund.

ARTICLE VI - DEFAULT

SECTION 6.01. DEFAULT IN PAYMENTS. In the event a Lot Owner does not pay any sums, charges or Assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting through its Board of Directors, may foreclose the lien encumbering the Lot created by non-payment of the required monies in the same fashion as mortgage liens with a power of sale are foreclosed. The Association shall be entitled to the appointment of a Receiver if it so requests. The Association shall have the right to bid on the Lot at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, the Association may, through its Board of Directors, bring suit to recover a money judgment for sums, charges or Assessments required to be paid to the Association without waiving its lien securing same.

If an action of foreclosure is brought against a Lot Owner for the non-payment of monies due the Association, and as a result thereof the interest of the said Lot Owner in and to the Lot is sold, then, at the time of such sale, the Lot Owner's membership shall be cancelled and membership shall be issued to the purchaser at the foreclosure sale.

If the Association becomes the owner of a Lot by reason of foreclosure, it shall offer said Lot for sale and at such time as a sale is consummated, it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Lot, which shall include, but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for repairing the Lot or any improvements thereon in question. All monies remaining after deducting the foregoing items of expense shall be returned to the former Lot Owner of the Lot in question.

SECTION 6.02. VIOLATION OF DECLARATION OF PLANNED UNIT DEVELOPMENT. In the event of violation of the provisions of the enabling Declaration, Articles and/or By-Laws, as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation or to enforce the provisions of the documents just hereinabove enumerated, or sue for damages, or take all such courses of action at the same time, or pursue such other legal remedy it may deem appropriate.

SECTION 6.03. COSTS AND ATTORNEY'S FEES. In any action either to foreclose its lien, to recover a money judgment or for injunctive relief brought by or on behalf of the Association against a Lot Owner, the Association, in the event it is the prevailing party, shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees, including those incurred on appeal, as may be awarded by the Court.

ARTICLE VII - MORTGAGES

SECTION 7.01. NOTICE TO BOARD OF DIRECTORS. A Lot Owner who mortgages his Lot shall notify the Secretary of the Association who shall maintain a record of such information.

SECTION 7.02. LENDER'S NOTICES. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer or guarantor of a Lot will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the Property or the Lot securing its mortgage;
- (b) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Lot on which it holds the mortgage;
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

SECTION 7.03. EXAMINATION OF BOOKS. The holder, guarantor, or insurer of a mortgage on any Lot shall have the same right to examine the books and records of the Association afforded a Lot Owner pursuant to Section 5.09 of these By-Laws.

ARTICLE VIII - USE AND OCCUPANCY RESTRICTIONS

SECTION 8.01. USE AND OCCUPANCY RESTRICTIONS. No part of the property shall be used for other than residential use and the related common purposes for which the Property was designed. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Lot Owner from:

- (a) Maintaining his personal or professional library therein.
- (b) Keeping his personal business or professional records or accounts therein.

(c) Handling his personal business or professional telephone calls or correspondence therefrom.

Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

SECTION 8.02. USE OF COMMON ELEMENTS. The Common Elements shall be used only for access, ingress and egress to and from the respective Lots by the persons residing therein and their respective guests, household help, and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Lots. The use, maintenance, and operation of the Common Elements shall not be obstructed, damaged, or interfered with by any Lot Owner.

SECTION 8.03. NUISANCES. No unlawful, immoral, noxious, or offensive activities shall be carried on in any Lot or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise or disturbance to others.

SECTION 8.04. MAINTENANCE AND REPAIRS. Each Lot Owner shall perform promptly, and at his own risk, cost and expense, all maintenance and repair work with respect to his Lot. Each Lot Owner shall be obligated to reimburse the Association for the expenses incurred in maintaining or repairing any part of the PUD Property damaged by the negligence or misuse by the Lot Owner, his tenants, agents, guests, or licensees.

SECTION 8.05. TRASH. Trash, garbage, and other waste shall be kept only in sanitary containers, as prescribed from time to time in the administrative Rules and Regulations of the Board of Directors, and shall be disposed of in a clean and sanitary manner.

SECTION 8.06. RIGHTS OF DEVELOPER. Until all of the Lots have been sold by the Developer, the Developer may from time to time use and show one or more of such unsold Lot(s), and may use and maintain customary signs in connection therewith notwithstanding the provisions of Section 8.04 of this Article.

ARTICLE IX - MISCELLANEOUS

SECTION 9.01. SEAL. The seal of the Association shall be circular in form and shall contain the name of the Association and the year of its creation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 9.02. FISCAL YEAR. The fiscal year of the Association shall be set by the Board of Directors.

SECTION 9.03. BANK ACCOUNTS. The Board of Directors may, from time to time, by resolution authorize the maintenance of one or more deposit accounts by the Association. All

checks, drafts, or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

SECTION 9.04. NOTICE. Whenever any notice or demand is required to be given by these By-Laws or the Declaration, any notice or demand so required shall be deemed sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his last known post office address according to the records of the Association, and such notice shall be deemed given on the day of such mailing.

SECTION 9.05. WAIVER OF NOTICE. Whenever any notice whatsoever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation, these By-Laws or the Declaration, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

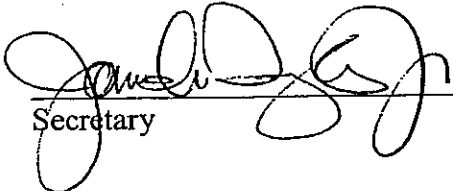
ARTICLE X - AMENDMENTS

These By-Laws may be modified or amended by the vote of Sixty Six and Two Thirds (66 2/3%) percent of the votes eligible to be cast by Lot Owners in person or by proxy at any regular or special meeting of Lot Owners provided that notice of said meeting has been given in accordance with these By-Laws, and that the notice as aforesaid contained a full statement of the proposed amendment. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Covenants, Conditions and Restrictions.

ARTICLE XI - CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine, or neuter, singular or plural, whenever the context so requires. Should any of the covenants herein imposed be void or become unenforceable at law, or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

The foregoing was adopted as the By-Laws of Hawks Ridge Homeowners Association, Inc. at the first meeting of the Board of Directors on the 1st day of March, 2007.


Secretary

20071017000730540 1/1 \$19.75
 Madison Cnty Judge of Probate, AL
 10/17/2007 10:19:37AM FILED/CERT

STATE OF ALABAMA)
 :
 MADISON COUNTY)

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS
 AND RESTRICTIONS FOR HAWKS RIDGE, SECOND ADDITION**

KNOW ALL MEN BY THESE PRESENTS: That whereas, **RESERVE DEVELOPMENT GROUP, L.L.C., an Alabama limited liability company** has heretofore established and filed that certain Declaration of Covenants, Conditions and Restrictions as Document No. 20070302000153070, Probate Records of Madison County, Alabama, for the use and enjoyment of certain lots in **HAWKS RIDGE**, as said subdivision is recorded as Document No. 20070301000149360, Probate Records of Madison County, Alabama; and,

WHEREAS, Article X, Section 1 of said Declaration provides that the Declarant may subject all or any portion of the real property described in Exhibit "C" thereto to the provisions of such Declaration and to the jurisdiction of the Hawks Ridge Homeowners Association, Inc.

NOW, THEREFORE, pursuant to the provisions of Article X, Section 1 of the Declaration of Covenants, Conditions and Restrictions for **HAWKS RIDGE**, as the same is recorded as Document No. 20070302000153070, Probate Records of Madison County, Alabama, the undersigned, **RESERVE DEVELOPMENT GROUP, L.L.C., an Alabama limited liability company**, does by these presents add to said Declaration all of the lots of the final plat of **Hawks Ridge Second Addition, a Resubdivision of Tract One of High Mountain Estates Seventh Addition, a Resubdivision of Tract 1 of a Resubdivision of Tract 12 of Chapman Cove and a Resubdivision of Lot A of Saddletree (PB 17, Page 100) and a Resubdivision of Tract 1 and Lot 10 of High Mountain Estates Third Addition, a Resubdivision of Tract 11 of Chapman Cove and a Resubdivision of Tract 10 of High Mountain Estates Second Addition a Resubdivision of Tract 10 of High Mountain Estates as recorded in Plat Book 40, Page 89, Huntsville, Alabama, said Final Plat being recorded as Document No. 20070927000683820**, Probate Records of Madison County, Alabama, said lots being a portion of the property described in Exhibit "C" of said Declaration; all of the lots in said **Second Addition** shall, by the execution hereof, be subject to the Declaration of Covenants, Conditions and Restrictions for **HAWKS RIDGE**, and all easements, restrictions, terms and conditions contained therein and shall be entitled to all rights arising as a result of said Declaration.

IN WITNESS WHEREOF, **RESERVE DEVELOPMENT GROUP, LLC, an Alabama limited liability company** has caused this instrument to be executed by **BRIAN G. PLATT**, its Member for and as the act of said limited liability company on this the 16th day of October, 2007.

RESERVE DEVELOPMENT GROUP, LLC, an Alabama limited liability company \$4.00
 By:  2.50
 Brian G. Platt, Member 1.00
.25
12.00
\$ 19.75

STATE OF ALABAMA)
 :
 COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that,

STATE OF ALABAMA)
 :
MADISON COUNTY)



20100827000487000 1/4 \$27.25
Madison Cnty Judge of Probate, AL
08/27/2010 04:02:15PM FILED/CERT

AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAWKS RIDGE

KNOW ALL MEN BY THESE PRESENTS: That whereas, the Declaration of Covenants, Conditions and Restrictions for Hawks Ridge (herein "Declaration") has heretofore been established and filed as Document No. 20070302000153070 in the Office of the Judge of Probate of Madison County, Alabama, for the use and enjoyment of certain lots in Hawks Ridge; and,

WHEREAS, RESERVE DEVELOPMENT GROUP, LLC, an Alabama limited liability company conveyed to FIRST COMMERCIAL BANK OF HUNTSVILLE (herein "Declarant"), its rights as Declarant arising out of said Declaration, together with any amendments or supplements thereto, by virtue of that certain foreclosure deed dated April 1st, 2010, and recorded as Document No. 20100406000173220, in the Office of the Judge of Probate of Madison County, Alabama; and,

WHEREAS, Article XIII, Section 4 of the Declaration allows the Declarant to unilaterally modify and amend the Declaration; and,

WHEREAS, the Architectural Control Committee joins in this Amendment for the purpose of ratifying and consenting to such Amendment.

NOW, THEREFORE, pursuant to the provisions of Article XIII, Section 4 of the Declaration of Covenants, Conditions and Restrictions for Hawks Ridge recorded as Document No. 20070302000153070, in the Office of the Judge of Probate of Madison County, Alabama, the undersigned Declarant and Architectural Control Committee, acting within the authority established by said Declaration, do hereby amend the Declaration as follows:

1. Article IV, Section 10 shall insert the following:

Section 10. Initiation Fee. Following construction of an amenity (i.e. clubhouse, gazebo, etc.), each new lot owner shall pay the sum of \$200, or an amount established by the Board of Directors of the Association, to the Association as an Initiation Fee upon acceptance of a deed. Said Initiation Fee shall become due and payable at the time of closing and will be delinquent if not received thirty (30) days following closing. The foregoing shall apply to all conveyances occurring subsequent to the initial issuance of a Certificate of Occupancy pertaining to the lot being conveyed.

\$4.00
10.00
1.00
.25
12.00

27.25

2. Article VI, Section 4 shall insert the following:

"Swing Garages are allowed in addition to side-entry and rear-entry garages."

3. Article VI, Section 10 shall be deleted and the following inserted in lieu thereof:

Section 10. Architectural Standards No exterior construction, alteration, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, 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, addition, erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by an Architectural Control Committee as defined in Article VII herein. Such plans shall be submitted with the required architectural review fee of \$250.00 per lot. The Board may divide the Architectural Control 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 Control Committee architects, engineers, or other Persons necessary to enable the Committee to perform its review. The Architectural Control Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) 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.

Plans and specifications are not approved by the Architectural Control Committee for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Architectural Control 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. Neither Declarant, the Association, the Architectural Control Committee, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner 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 Control Committee, the Board, or the officers, directors, members, employees, and agents of any of them to recover any such damages and hereby releases, remises, quit-claims, 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.

4. Article VI, Section 26(c) shall be deleted and the following inserted in lieu thereof:

(c) All Roofs must contain a pitch of at least 8 on 12 unless approved by Architectural Control Committee prior to construction.

5. **Article VI, Section 28, shall be deleted and the following inserted in lieu thereof:**

Section 28. Minimum Building Size. All Dwellings shall contain a minimum of heated living space which space shall specifically exclude, without limitation, open porches, garages and unfinished storage areas as follows: 2200 sq. ft. for Lots containing less than 75 feet of street frontage; 2600 sq. ft. for Lots containing between approximately 75 and 95 feet of street frontage; 2800 sq. ft. for Lots containing between approximately 95 and 110 feet of street frontage; 3000 sq. ft. for Lots containing between approximately 110 and 135 feet of street frontage and 3800 sq. ft. for all Lots containing over 135 feet of street frontage.

6. **Article VI, Section 29 (a) shall be deleted and the following inserted in lieu thereof:**

(a) Carriage lots. All buildings on the Carriage lots must be a minimum of 25 feet from the rear property line.

7. **Article VI, Section 35(a) shall be deleted and the following inserted in lieu thereof:**

(a) Carriage Lot driveways must conform to the architectural guidelines and standards established by the Architectural Control Committee.

8. **Article VI, Section 39 shall be deleted and the following inserted in lieu thereof:**

Section 39. Parking and Garages. Garages must contain two interior parking spaces and can be attached to or detached from the house. Garage doors must be facing away from the street.

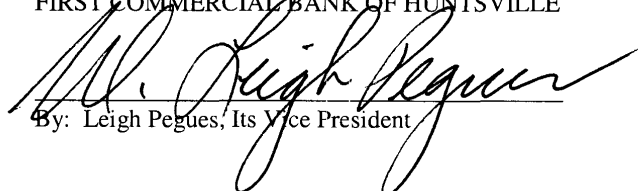
IN WITNESS WHEREOF, the undersigned have executed or caused these presents to be executed by their duly authorized Officers, Managing Agent and/or Manager on this the 27 day of August, 2010.

ARCHITECTURAL CONTROL COMMITTEE:


By: Leigh Pegues, Its President

DECLARANT:

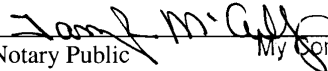
FIRST COMMERCIAL BANK OF HUNTSVILLE


By: Leigh Pegues, Its Vice President

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, LEIGH PEGUES, whose name as VICE PRESIDENT of the FIRST COMMERCIAL BANK OF HUNTSVILLE, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

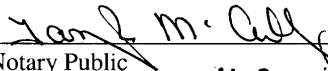
Given under my hand and seal this the 27 day of August, 2010.


Notary Public My Commission Expires 01/08/2014
My Commission Expires: _____

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, LEIGH PEGUES, whose name as PRESIDENT of the ARCHITECTURAL CONTROL COMMITTEE of HAWKS RIDGE HOMEOWNERS ASSOCIATION, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 27 day of August, 2010.


Notary Public My Commission Expires 01/08/2014
My Commission Expires: _____

f THIS INSTRUMENT PREPARED BY:
MATTHEW R. HARRISON
STEPHENS, MILLIRONS, HARRISON & GAMMONS
2430 L & N DRIVE
HUNTSVILLE, ALABAMA 35801
(256) 533-7711

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