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Charles C. Woodroof
Judge of Probate
Limestone County, AL

**DECLARATION
OF PROTECTIVE COVENANTS
FOR
TOWN MILL SUBDIVISION**

Dated: June 21, 2023

This Instrument Prepared by:

**Paul B. Seeley, Esq.
Lanier Ford Shaver & Payne P.C.
2101 West Clinton Avenue, Suite 102
Huntsville, Alabama 35805**

**DECLARATION
OF PROTECTIVE COVENANTS
FOR
TOWN MILL SUBDIVISION**

THIS DECLARATION OF PROTECTIVE COVENANTS FOR TOWN MILL SUBDIVISION is made on the date hereinafter set forth by LENNAR HOMES OF ALABAMA, LLC, a Delaware limited liability (referred to as the “Declarant”), AG EHC II (LEN) MULTI STATE 2, LLC, a Delaware limited liability (referred to as “AG”).

BACKGROUND STATEMENT

WHEREAS, AG and Declarant are the owners of the real property described in Article II, Section 2.1; and

WHEREAS, Declarant has the right to acquire additional portions of the property from AG pursuant to that certain Option Agreement dated February 25, 2022 (the “Option Agreement”), entered into between AG, as Owner, and Declarant, as Builder, as evidenced by that certain Memorandum of Option Agreement recorded in the Office of the Judge of Probate of Limestone, Alabama, in RLPY 2022 Page 18658.

WHEREAS, Declarant and AG intend by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property subject to, or hereinafter subject to, these protective covenants. Declarant and AG desire to establish a method for the maintenance, preservation, use and enjoyment of the property that is now or hereafter subjected to this Declaration; and

WHEREAS, the property subject to, or hereinafter subject to, these protective covenants is to be divided into (1) single family detached lots (“Single Family Lots”) on which single-family detached homes will be constructed; (2) single family attached lots (“Townhouse Lots”) on which only single family townhouse units will be constructed; and (3) Common Areas (as hereinafter defined); and

WHEREAS, Declarant and AG hereby declare that the real property described in Section 2.1, of this Declaration, 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 and occupant of all or any portion thereof.

ARTICLE I
Definitions

Unless the context shall prohibit, certain words used in this Declaration shall have the meanings set forth as follows:

- 1.1 “Assessments” shall mean either a General, Special or Specific Assessment.
- 1.2 “Association” shall mean and refer to Town Mill Homeowners Association, Inc., an Alabama nonprofit corporation, formed under the laws of the State of Alabama, its successors and assigns.
- 1.3 “Association Expenses” shall mean and include the actual and estimated expenses of operating the Association, both for general and special purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to the Declaration, the Certificate of Formation, and the Bylaws.
- 1.4 “Board of Directors” or “Board” shall mean the governing body of the Association, and the Board shall have the duties as provided in the Declaration, the Bylaws, and the Certificate of Formation.
- 1.5 “Bylaws” shall refer to the Bylaws of the Association, as such may be amended from time to time.
- 1.6 “Common Area” 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 and Occupants, whether located within or without the boundaries of the Community, and shall include, but not be limited to, the real property, and improvements thereon, designated as Common Area on the recorded plat(s) for “Town Mill Subdivision,” as such may be re-subdivided from time to time.
- 1.7 “Community” shall mean and refer to that certain real property and interests therein described in Exhibit “A” attached hereto, and such additions thereto of other real property as may be made by the Declarant by Supplementary Declaration.
- 1.8 “Declarant” shall mean and refer to Lennar Homes of Alabama, LLC, a Delaware limited liability company, its successors and assigns, or any person or entity to whom all of Declarant’s rights reserved hereunder are assigned in accordance with the provisions hereof. The Declarant’s rights shall only be assigned by written, recorded instrument expressly assigning those rights. So long as AG owns any Lot or portion of the real property subjected to this

Declaration, or any annexable property, if applicable, any assignment of the Declarant's rights under this Declaration shall require the prior written consent of AG. Any purported assignment without such consent shall be deemed void and of no force and effect. Notwithstanding the foregoing, if the Option Agreement is terminated prior to the purchase by Lennar Homes of Alabama, LLC from AG of all of the property subject to the Option Agreement, as evidenced by the recording of a Notice of Termination of Option, AG shall, upon recordation of a Notice to Succeed to Declarant Rights, automatically become the Declarant under this Declaration, in which event all references to "Declarant" shall thereafter mean and refer only to AG or its successors or assigns, and after which event Lennar Homes of Alabama, LLC (or its successors or assigns) shall no longer be the Declarant under this Declaration or be entitled to exercise any of the rights of Declarant; provided, however, that AG shall not be liable to any Member or any other person for any act or omission of Declarant including, without limitation, Declarant's failure to pay any amounts owing or to be paid or reserved for hereunder or as may otherwise be required by statute or at law or to perform any act or obligation required to be performed by Declarant hereunder or as may otherwise be required by statute or at law, arising prior to the date AG succeeds to Declarant's rights hereunder, and AG shall assume the obligations under this Declaration only for matters and obligations arising or to be performed from and after the date AG succeeds to Declarant's rights hereunder, and AG is hereby released and discharged from any and all obligations under this Declaration accruing prior to the date AG succeeds to Declarant's rights hereunder.

1.9 "Declaration" shall mean the Declaration of Protective Covenants for Town Mill Subdivision, as such document may be amended.

1.10 "General Assessments" shall mean assessments, if any, levied on an annual basis for Association Expenses determined by the Board to benefit all Owners and Occupants. Such assessments shall be allocated among all Residences in the Community.

1.11 "Lot" shall mean the platted and subdivided land within Town Mill Subdivision, designated by Lot and Block to be sold and conveyed to an Owner for the use by Owner of constructing a single family "Residence" on said lot as platted, subdivided and designated and shall include Single Family Lots and Townhome Lots.

1.12 "Majority" means those eligible voters, Owners, or other group as the context may indicate, totaling fifty-one percent (51%) or more of the total eligible number.

1.13 "Member" shall mean a person that is a member of the Association as provided in the Bylaws.

1.14 "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.

1.15 "Mortgagee" shall mean the holder of a Mortgage.

1.16 “Occupant” shall mean any person occupying all or any portion of a Residence 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.

1.17 “Owner” shall mean the record owner, whether one (1) or more Persons, of the fee simple title to any real property located within the Community, including contract sellers, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation and excluding contract purchasers, their subsequent grantor, successor or assign.

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

1.19 “Residence” shall mean a portion of the Community designated on an approved layout plan or subdivision plat, as more particularly described below, for any type of independent use and occupancy as a residence by a single family. Residence shall include all portions of the land owned, as well as any structure thereon, as described above. A Residence shall come into existence on the earliest date of the happening of any of the following events: (1) when a Certificate of Occupancy is issued by the proper governing authority; (2) in the case of a subdivision the expiration of two years from the date the subdivision is accepted for maintenance by Limestone County (unless made earlier by contract with owner).

1.20 “Single Family Lot(s)” shall mean and refer to platted residential lot(s) on which a single family detached dwelling is constructed or to be constructed.

1.21 “Special Assessment” shall mean an assessment levied on the Owner of a Residence by the Board which is in addition to the General Assessment, which is assessed on an annual basis pro rata among all Owners for the purpose of alleviating a deficit in the Association’s annual budget for any one (1) year.

1.22 “Specific Assessment” shall mean an assessment levied on the Owner of a Residence on a pro rata basis by the Board which is in addition to a General Assessment for a specific purpose, on either a pro rata or non-pro rata basis among the Owners.

1.23 “Supplementary Declaration” shall mean an amendment to the Declaration subjecting additional property to the Declaration.

1.24 “Townhome Lot(s) shall mean and refer to platted residential lot(s) on which a single family attached dwelling is constructed or to be constructed.

1.25 “Town Mill Subdivision” shall mean all of the real property described on Exhibit “A” attached hereto and all real property hereafter subjected to the Declaration by Supplementary Declaration.

ARTICLE II
Property Subject to this Declaration

2.1 Property Hereby Subjected to this Declaration. The real property which is, by the recording of this Declaration, subject to the covenants and restrictions hereinafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is the real property described in Exhibit "A" attached hereto and by reference made a part hereof.

2.2 Other Property. Only real property described in Section 2.1 of this Article II is hereby made subject to this Declaration; provided, however, by one (1) or more Supplementary Declarations, Declarant, with the written consent of AG, has the right, but not the obligation, to subject additional real property to this Declaration, as hereinafter provided in Article VIII.

ARTICLE III
Association Membership and Voting Rights

3.1 Membership. Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership. The Association shall be comprised of the Owners and the Board it elects through its Bylaws as it may establish. Bylaws must be established within one (1) year from the date that Town Mill Subdivision is platted and recorded at the Office of the Judge of Probate of Limestone County, Alabama. The initial Board of Directors shall be comprised of Zenzi Rogers, Kristina Dods and Reid Hill, who shall remain on said Board until all lots in the Community are sold (the "Community Completion Date"), at which time the Association shall be called to hold a special election to elect new Board members as per the Bylaws.

3.2 Voting. Owners shall be entitled to one (1) vote for each Residence owned. When more than one (1) Person holds an ownership interest in any Residence, the vote for such Residence shall be exercised as those Owners themselves determine. In the event of a dispute, the vote shall be suspended if more than one (1) Person seeks to exercise it. Those Owners of property, if any, which is exempt from Assessments as provided in Article IV, Section 4.11 (a) and (b), hereof are Members of the Association and are subject to the provisions of this Declaration, but are not Owners of Residences and shall not, therefore, be entitled to vote.

An Owner's right to vote may be suspended as provided in Article IX, Section 9.2, of this Declaration.

ARTICLE IV
Assessments

4.1 Purpose of Assessment. The Assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefits, and

enjoyment of the Owners and Occupants in the Community, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Type of Assessments. Each Owner of any Lot or Residence, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) General Assessments; (b) Special Assessments which are such assessments to be established and collected as hereinafter provided in Section 4.5; and (c) Specific Assessments against any particular Residence which are established pursuant to the terms of this Declaration, including, but not limited to, those assessments established by Section 4.10, and Section 5.2, hereof and reasonable fines as may be imposed in accordance with the terms of the Declaration and Bylaws. The initial General Assessment for a Single Family Lot shall be \$400.00 per year, payable annually and shall be due on October 1st of each calendar year. The first year's General Assessment shall be prorated through October 1 of that calendar year. The initial General Assessment for a Townhome Lot shall be \$350.00 per quarter, payable quarterly. The General Assessment may be increased or decreased by the Board from time to time.

4.3 Creation of Lien and Personal Obligation for Assessments. All Assessments, with a late charge as set forth in Section 4.7, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot or Residence against which each Assessment is made unless such Assessment is paid within thirty (30) days such Assessment is due, which due date is set forth in Section 4.2, or as may be otherwise determined by the Board when special or specific Assessments are made pursuant to Section 4.2, and Section 4.5. Each such Assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligations of the Person who was the Owner of such Lot or Residence at the time the Assessment fell due. Each such 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 or Residence, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid Assessments of its grantor shall not apply to any first Mortgage holder taking title through foreclosure proceedings or deed in lieu of foreclosure.

General Assessments and other Assessments, unless otherwise provided by the Board, shall be paid in annual, semi-annual, or quarterly installments as the Board determines.

4.4 Annual Budget. It shall be the duty of the Board to prepare an annual budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve. The Board shall cause the budget and the Assessments to be levied against each Residence for the following year to be delivered to each Owner at least thirty (30) days prior to the end of the current calendar year. The Board may not, without the consent of Declarant and AG (so long as Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof) and the vote or written assent of at least a Majority of the total Association vote entitled to vote thereon, impose a

General Assessment per Lot or Residence which is more than one hundred twenty percent (120%) of the General Assessment for the immediately preceding fiscal year. In the event that the Board fails for any reason so to determine the annual budget for the succeeding year, then and until such time as an annual budget shall have been determined, as provided herein, the annual budget in effect for the current year shall continue for the succeeding year.

4.5 Special Assessments. In addition to the General and Specific Assessments authorized herein, the Board may levy Special Assessments in any year. So long as the total amount of Special Assessments allocable to each Lot or Residence does not exceed the amount of the current General Assessment in any one (1) calendar year, the Board may impose the Special Assessment. Any Special Assessment which would cause the amount of Special Assessments allocable to any Lot or Residence to exceed this limitation shall be effective only if approved by a majority of the total Association vote entitled to vote thereon and with the consent of Declarant and AG, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII 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 such Special Assessment is imposed.

4.6 Lien for Assessments. All sums assessed against any property subject to this Declaration 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 property in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such property, except for (a) liens of ad valorem taxes; and (b) liens for all sums unpaid on a first Mortgage. All other Persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the records of the Office of the Judge of Probate, Limestone County, Alabama shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

4.7 Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessments which are not paid in full by the date specified by the Board (the "Due Date"), shall be delinquent. Any Assessment delinquent shall incur a late charge of Five and No/100 Dollars (\$5.00), per day, or in such amount as the Board may from time to time determine. If the Assessment is not paid by the Due Date, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest on the principal amount due, and all late charges from the Due Date payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the Assessment remains unpaid after ninety (90) 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 and 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 through the Board and on behalf of Owners, shall have the power to bid at any foreclosure sale or to acquire, hold, lease, mortgage, or convey foreclosed property. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration, but not limitation, by non-use of Common Area, or abandonment of such Owner's Residence. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner. Such Special Assessments may be levied on all Lots or may be levied on only Single Family Lots or only on Townhome Lots as determined by the Board.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent Assessments.

4.8 Date of Commencement of Assessments. An Owner shall become subject to assessment hereunder at the time of purchase of a Lot in the Community and as set forth in Section 4.2. The first General Assessment shall be prorated according to the number of months remaining in the calendar year during which the Owner became subject to assessment.

4.9 Advance Payment. The Board is specifically authorized to enter into such advance payment contracts with Declarant or other entities as may be mutually agreed to for the payment of some portion of the Association Expenses; provided, however, the Veterans Administration shall be advised of and approve any form of such contract entered into between the Declarant and Association if the Veterans Administration is guaranteeing any Mortgage in the Community. Such contract or contracts shall be for the benefit of and enforceable by the Association.

4.10 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 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. The Board may specifically assess Lots or Residences for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

- (a) Expenses of the Association which benefit less than all of the Lots or Residences may be specifically assessed equitably among all of the Lots and Residences which are benefitted according to the benefit received.

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

4.11 Exempt Property. The following property shall be exempt from Assessments:

(a) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, public parks, roads, rights-of-way, streets and easements; and

(b) all property owned by non-profit organizations and restricted for use as private schools or churches; provided, however, the availability of the exemption for such non-profit organizations is contingent upon prior approval by the Board; and

(c) all property owned by AG or Declarant or by any entity that is wholly owned by, or under common ownership with, AG or Declarant (each, an “Exempted Party” and collectively, the “Exempted Parties”).

4.12 Waiver of Assessments. The Declarant and/or the Board reserves the right to waive any Assessment as may come due from an Owner for any reason.

4.13 Maintenance Fund; Assessments. The Board will set aside an amount from the General Assessment sufficient to (i) provide a fund to maintain, landscape and repair the entranceway improvements, walkways, and other Common Areas; (ii) in general, to provide those services important to the development and preservation of an attractive community appearance; and (iii) provide additional funds for other purposes as may be deemed appropriate by the Board. In addition, the Board will set aside an amount from the general assessment paid by the Owners of the Townhome Lots to provide a reserve fund for the replacement of the roof materials as set forth in Section 4.13(c). below and to perform the maintenance obligations set forth in Section 4.13(a). below. The responsibility of the Association and Owners is as follows:

(a) The Association is responsible for routine landscape maintenance of each Townhome Lot (including fenced areas), which may include, without limitation, maintenance of shrubs, weed control, grass cutting, edging, maintenance and repair of the irrigation system, and such other services as are specified in the maintenance contracts executed by the Association from time to time. The Association shall not be responsible for restoration or replacement of any sod, plants or other landscaping on any Lot. The Association shall have the sole discretion to determine the frequency and scope of landscape maintenance services to be provided to the Townhome Lots. No Owner shall change the landscaping of a Townhome Lot without the approval of the Architectural Review Committee. The irrigation systems for Townhome Lots shall be separately metered, and the water bill for such irrigation system on Townhome Lots shall be the responsibility of the Association.

(b) Subject to Architectural Review Committee approval of paint color, each Owner is responsible for exterior paint of all Dwellings (if any). Each Owner is responsible for routine maintenance such as caulking and cleaning.

(c) As to all Townhome Lots, the Association is responsible for replacement of the roof materials such as shingles, roof felt, and OSB/plywood at the end of their useful life for which the Association shall specifically establish a reserve fund for replacement. The Association is NOT responsible for roof maintenance or damage, repair or replacement of shingles, roof felt, OSB Plywood, flashing, or other roofing components due to weather, fire, casualty, accident, negligence, or neglect. All roofing repairs or maintenance performed by Owner must be approved by the Architectural Review Committee prior to the commencement of such work. Damages to interiors as a result of roof leaks are NOT the responsibility of the Association.

(d) Each Owner shall keep his or her Lot and the Dwelling thereon in good order and repair in a manner and with such frequency as is consistent with good property management practices.

(e) No Owner shall modify the Dwelling on his or her Lot by adding a room or rooms, changing the roof lines, adding decks, materially changing or altering the color or making any other alteration in the exterior appearance of the dwelling without the prior written approval of the Architectural Review Committee and any license or consent required from any governmental department or agency having jurisdiction of the Community and the work proposed to be performed upon the dwelling.

(f) Each Owner, in acquiring title to his or her respective Lot, acknowledges that the decor, color scheme, and design have been selected in such a manner to be consistent and harmonious with other dwellings and improvements within the Community and agrees to maintain his or her respective Lot and dwelling in such a manner as to maintain and perpetuate visual harmony within the Community.

(g) Each Owner shall keep all of his or her Lots, and all dwellings and improvements on such Lots or appurtenant thereto, in good order and repair, in a manner and with such frequency as is consistent with good property management practices. There shall be no outside burning of wood, leaves, or trash except during construction of a dwelling or with approval of the fire department having jurisdiction of the Community. If, in the opinion of the Board, any Owner fails to perform the duties imposed by the preceding sentence within ten (10) days after written notice from the Association to the Owner to remedy the condition in question, the Association shall have the right, through its agents and employees, to enter upon the subject Lot (or upon the dwelling or improvements which may be appurtenant thereto) and to repair, maintain, repaint and restore the Lot, dwelling or improvement and the cost thereof shall be a binding, personal obligation of the Owner as well as a lien upon such Lot.

(h) Each Owner of a Townhome Lot shall be responsible for Pest Control. The Association shall be responsible for maintaining a termite bond on each dwelling constructed on a Townhome Lot.

ARTICLE V
Maintenance; Conveyance of Common Area
by Declarant to Association

5.1 Association's Maintenance Responsibility. The Association shall maintain and keep in good repair the Common Area. 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 Area.

The foregoing maintenance costs shall be assessed as a part of the Assessments as determined by the Board in accordance with this Declaration and the Bylaws.

5.2 Owner's Maintenance Responsibility. Each Owner shall maintain or cause to be maintained in a safe, clean and attractive condition all property subject to this Declaration which is owned directly or indirectly by such Owner in a manner consistent with this Declaration. Such maintenance obligation shall include, without limitation, the following: Prompt removal of all litter, trash, refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, exterior lighting, and maintenance facilities in good repair and working order; keeping lawn and garden areas alive, free of weeds, and attractive; keeping driveways in good repair; complying with all governmental health and police requirements; and repair of exterior damages to improvements. In the case of Townhome Lots, such maintenance shall be done in a manner harmonious with the other dwellings and shall not be completed in such a manner, color or design so as to disrupt the harmonious blending of the original architectural plans of the dwellings. Each Owner of a Townhome Lot shall be prohibited from making any changes to any of the landscaping on any Townhome Lot or any of the Common Areas, it being understood that all dwellings and landscaping are designed to blend harmoniously with each other.

In the event that the Board determines that (a) any Owner or designee of the Owner, as designee is defined below, 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; or (b) that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, invitees, or designee then, the Association may perform the repair, replacement or maintenance and shall, except in the event of any emergency situation, give the Owner or designee written notice of the Association's intent to provide such necessary maintenance, repair, or replacement, at the Owner's or the Owner's designee's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner or his designee shall have ten (10) days 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, and all costs shall be treated as a specific Assessment against the Owner and the property owned by the Owner.

5.3 Party Walls and Party Fences. Each wall or fence built as a part of the original construction of the Residences which shall serve and separate any two (2) adjoining Residences 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.

The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

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, 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.

5.4 Conveyance of Common Area by Declarant to Association. AG, or the Declarant with the consent of AG, may 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, including but not limited, to any Common Areas. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Area to be maintained by the Association.

5.5 Additional Improvements. Neither AG or Declarant shall be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to Section 5.4.

ARTICLE VI Use Restrictions and Rules

6.1. General. This Article, beginning at Section 6.2, 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 X, Section 10.4, hereof regarding amendment of this Declaration. In addition, the Board, by a two-thirds (2/3) vote and so long as AG owns any Lot or property in the Community, the consent of AG, may, from time to time, without consent of the Members, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community not in conflict with Article VI, Sections 6.2 through 6.34 set forth

hereinbelow. Such use restrictions and rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the total Association vote entitled to vote thereon and, so long as the Declarant has an option to unilaterally subject additional property to this Declaration as provided in Article VIII hereof, the consent of Declarant and AG.

6.2. Residential Use. All Lots shall be used for single-family residential purposes exclusively. No building shall be constructed, placed or permitted to remain on any Townhome Lot other than one single-family townhome dwelling. No building shall be constructed, placed or permitted to remain on any Single Family Lot other than one single-family detached home. No business or business activity shall be carried on in or upon any Lot at any time by any Person that is not an Exempted Party. Leasing of a Lot shall not be considered a business or business activity. 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 residence, either temporarily or permanently.

6.3. Signs. No signs, written displays or visual displays shall be placed in the front yard of a Lot, or within view of the roadways, which contain language or graphic depictions which are profane, obscene, or calculated to harass or denigrate any person because of his or her race, sex, religion or national origin, except that this provision shall not be construed to restrict or prevent the placement of reasonable campaign signs pertaining to candidates or referenda to be elected or decided by city, county, state or national election, nor shall this provision be construed to prevent or restrict the placement of reasonable signs pertaining to the sale, improvement or repair of the dwelling located on the Lot. Notwithstanding the foregoing or anything to the contrary herein, the Exempted Parties may maintain marketing signs as it deems necessary on property owned by it and the entrance ways, until such time as such party, sells and conveys such property.

6.4. Vehicles. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans, recreational vehicles, tractors, mowers and automobiles. All vehicles shall be parked within garages, driveways or other approved areas. Street parking is prohibited.

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. 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; *provided, however*, that the foregoing shall not apply to trucks present in the Community at the direction or request of an Exempted Party while actively delivering materials to an Exempted Party and/or otherwise providing goods or services to an

Exempted Party in connection with an active construction project or related work.

No motorized vehicles shall be permitted on pathways or unpaved Common Areas except for public safety vehicles.

Garage doors, if any, shall be kept closed at all times, except during times of ingress and egress from the garage.

6.5. Leasing. Lots 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. The lease shall also obligate the tenant to comply with the foregoing.

6.6. Occupants Bound. All provisions of the Declaration 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.

6.7. 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 a reasonable number. Chainlink pet kennels or pens are prohibited unless located behind an approved privacy fence or shall be located or screened as to be concealed from view of neighboring streets and property. Notwithstanding the foregoing or anything to the contrary herein, the restrictions set forth in this paragraph shall not prohibit the keeping of any service animal that a housing provider or homeowner's association is required to allow in the Community pursuant to applicable law; provided, however, that (a) the Association shall have the right, but not the obligation, to request any information or documentation that it is so permitted to request in accordance with applicable law in order to confirm the legal status of any alleged service animal that is not otherwise permitted by this paragraph, and (b) the keeper of any such service animal shall use its reasonable efforts to comply with the provisions of this paragraph to the extent not inconsistent with, or otherwise prohibited by, applicable law.

6.8. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property: No building shall be permitted to stand with its exterior in an unfinished condition for longer than three (3) 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; 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. Basketball goals are prohibited from being attached to the front of residences; basketball goals or other sports equipment must be contained on the Owner's property and may not be visible from the street. 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.

6.9. 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, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Community.

6.10. Architectural Standards. No construction, alteration, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, except such as is in accordance with the Declaration, or as is otherwise expressly permitted herein. This includes out buildings and storage sheds. No construction, alteration, addition, or erection shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, color, materials and location shall have been submitted in writing to and approved by (1) Declarant, or (2) the Architectural Control Committee (A.C.C.) established upon the termination of the rights of the Declarant herein. Any construction, alteration, addition, erection, out building, etc. shall be in harmony with the Community and the home. Metal roofs are prohibited. Until its rights and obligations are terminated, Declarant shall have the sole authority to act as the A.C.C. and its approval is required for any exterior construction, addition, erection, or alteration within the Community under the terms of this section. Note that plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the A.C.C., Declarant, AG, nor the members thereof assume liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Notwithstanding the foregoing, each Exempted Party, and any Lot or portion of the Community owned by any of them, shall be exempt from the requirements of this Section 6.10.

6.11. Antennas. No ham radios or radio transmission equipment which is visible from any street or adjoining Lot is permitted on any Lot. Unless otherwise required by applicable federal law, no antenna, satellite dish, or other communications equipment larger than forty (40) inches in any direction is permitted on any Lot, and no such equipment or satellite dish (regardless of height) may be installed in any location that is visible from any street or adjoining 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.

6.12. Tree Removal. No trees shall be removed without the express consent of Declarant, or its designee, except for (a) diseased or dead trees; (b) trees needing to be removed to promote the growth of other trees; (c) for safety reasons; or (d) trees located on property owned by an Exempted Party that are removed at the request or direction of such Exempted Party.

6.13. 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 re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Association 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.

6.14. Sight Distance at Intersections. No fences, 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.

6.15. Clotheslines, Garbage Cans, Woodpiles, Etc. All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All construction debris, rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. AG and Declarant shall have the right 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.

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

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

6.18. Fences. No fence or fencing-type barrier of any kind shall be placed, erected,

allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the A.C.C. The A.C.C. may issue guidelines detailing acceptable fence styles or specifications.

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 (½) the cost of maintenance of said fence. 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.

Fences will be compatible with the home. No fence will be higher than six feet from the ground level to the top of the fence except by approval by the A.C.C. The fence must be finished with an approved paint or opaque stain color (approved by the A.C.C. and AG) and maintained in a satisfactory manner. No chain link, vinyl coated, or rough sawn fence will be allowed. Wood and vinyl fencing with architectural interest will be allowed with approval. Fences, regardless of construction, will not be permitted any nearer to front lot line than the center side of the dwelling.

6.19. Air Conditioning Units. Except as may be permitted by the A.C.C. and AG, no window air conditioning units may be installed. No air conditioning apparatus or unsightly projection shall be attached to the front of any residence.

6.20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags, and similar items must be approved by the A.C.C. and AG, except a reasonable pole for the display of the flag of our country does not require such approval.

6.21. 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 A.C.C. and with the consent of AG.

6.22. Above Ground Swimming Pool. Except as may be permitted by the A.C.C. and AG, above ground swimming pools shall not be erected.

6.23. Lighting. Exterior lighting shall be reasonable.

6.24. Lakes or Ponds. The Association shall maintain ponds constructed in Common Areas. Any other ponds must be approved by Declarant and AG and maintained by the individual lot owners.

6.25. Landscaping. The front yard of each Lot shall be sodded, except for areas designated for shrubs. Shrubs should be well distributed. Each Owner of a Single Family Lot must maintain his lawn in a good condition and must not allow lawn or plantings to deteriorate.

The foregoing restrictions shall not apply to any Lot that is under active development (or upon which construction is actively occurring) by or at the request or direction of an Exempted Party; *provided, however*, that the Exempted Party shall install suitable landscaping upon the completion thereof.

6.26. Exteriors. Except as may be permitted by the A.C.C. and AG, the exterior of all improvements including, without limitation, residences must be repainted in a color used in the original construction of residences within the Community. All such wood portions of the exteriors must be painted or stained. No Owner shall change the roof type, color of shingles, brick type, color of brick, shutter color or front door color without the prior written consent of the A.C.C. and AG.

6.27. Window Coverings. The portion of all window coverings visible from the exterior of any residence shall be white or off-white unless otherwise prior approved by Declarant and AG.

6.28. Minimum Building Size and Roof Pitch. All Residences constructed on a Townhome Lot shall contain a minimum of _____ square feet of heated living space which space shall specifically exclude, without limitation, open porches, garages and unfinished storage areas. All Residences constructed on a Single Family Lot shall contain a minimum of _____ square feet of heated living space, which space shall specifically exclude, without limitation, open porches, garages and unfinished storage areas. All homes shall be constructed with 6/12 roof pitch or greater.

6.29. Setback Lines. No building shall be located on any Lot nearer to the front Lot line or nearer to the side and rear Lot lines than the minimum building setback lines required by all applicable Zoning Ordinances. In no event shall any building upon any Lot be located nearer than as allowed by any applicable Zoning Ordinances.

6.30. Mailboxes. All mailboxes, erected on any Lot, must conform to one standard design. A design will be provided and approved by Declarant and AG and such design will be made available to the Owner upon approval of building plans for the Lot by Declarant or the A.C.C.

6.31. Storage Tanks. No above ground storage tank shall be permitted on any Lot without the prior written consent of Declarant and AG.

6.32. 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 residence on any Lot.

6.33. Architectural Control Committee. All rights, responsibilities specifically reserved or imposed upon Declarant, or its representative under the terms of these restrictions, or those which exist by virtue of Declarant, being an owner of surrounding property shall terminate upon

the filing by Declarant, of written notice to that effect in the Office of the Judge of Probate of Limestone County, Alabama. Thereafter, the Board shall serve as the A.C.C. unless the Board designates a committee of at least three (3) representatives to act as an Architectural Control Committee which shall exercise all of the approval responsibilities of Declarant, herein. The duties and responsibilities of the A.C.C. shall be subordinate and subject to the requirements of any zoning ordinance applicable to lots in the subdivision. The A.C.C. shall have no authority to initiate or prevent any action taken to bring the subdivision or any Lot therein into compliance with any applicable zoning ordinance. All written notices to the A.C.C. are to be mailed or hand delivered at such address as specified by the A.C.C. from time to time.

6.34. Approvals. Declarant's approval as required by any of the terms and conditions of these covenants and restrictions shall be in writing. In the event Declarant or its representative shall fail to approve or disapprove any request within thirty (30) days after such request has been made in writing, such request shall be deemed denied. Failure of Declarant, to approve or disapprove the building plans and specifications in writing shall not in any way mitigate either the requirement to submit or the right of Declarant to approve or disapprove such plans and specifications in subsequent cases.

6.35 Waiver or Amendment of Restrictions and Rules. It is expressly provided that the Architectural Review Committee or the Board shall have the power and authority to waive or amend the requirement or enforcement of any of the use or restrictive covenants as set forth herein subject to the written consent of AG. The Declarant recognizes that, from time to time, because of unforeseen circumstances, an Owner or Residence may not be capable of strictly complying with the covenants and restrictions contained herein, and, therefore, due consideration must be given because of such unforeseen circumstances. The Architectural Review Committee or the Board may consider such waiver on a case by case basis. So long as AG owns any Lot or other property in the Community, neither the Board, the Declarant or the A.C.C. may amend, modify or waive any use restriction or rule, including amendments to the design or architectural guidelines, without the prior written consent of AG. Notwithstanding the foregoing or anything to the contrary herein, no rule or requirement hereunder, nor the enforcement of any use restriction or restrictive convent provided for herein, that would adversely impact any Exempted Party (or any property owned by any Exempted Party) may be enacted, amended or otherwise altered without the express, prior written consent of each Exempted Party that would be so impacted by the same.

ARTICLE VII

Insurance and Casualty Losses

7.1 Insurance. The Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area in such amounts as the Board of Directors deems necessary.

7.2 Property Insured By Association; Damage and Destruction. Immediately after the

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 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 paragraph, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least sixty-six percent (66%) of the total Association vote entitled to vote thereon, the Owner(s) of the damaged property, if any, and the Declarant otherwise agree, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however such extension shall not exceed one hundred and twenty (120) 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 shall, without the necessity of a vote of the Members, levy a Specific Assessment against all Owners. Additional Specific Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds are available from insurance exceed the costs or 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 in a neat and attractive condition.

7.3 Property Insured by Owners: Damage and Destruction. By virtue of taking title to property within the Community, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry casualty insurance insuring their Residence for its full appraised value and for casualty loss as may be defined by the insurance company as the Owner may choose. Each individual Owner further covenants and agrees that in the event of a partial loss of damage and destruction resulting in less than total destruction, the individual Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct, the individual Owner shall clear the Residence of all debris and return it to substantially the natural state in

which it existed prior to the beginning of construction.

7.4 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 VIII Annexation of Additional Property

8.1 Unilateral Annexation by Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, together with the consent of AG, Declarant shall have the unilateral right, privilege, and option from time to time at any time until ten (10) years after the recording of this Declaration to subject all or any portion of the real property adjacent and/or contiguous to the platted subdivision of Town Mill to the provisions of this Declaration and the jurisdiction of the Association by filing for record a Supplementary Declaration in respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided therein.

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 subject to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

ARTICLE IX Easements

9.1 Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Residence and such portion or portions of the Common Area adjacent thereto or as between adjacent Residences due to the 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 Residence and the adjacent portion of the Common Area or as between adjacent Residences, 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, Occupant, or the Association.

9.2 Easements for Use and Enjoyment of Common Area. Every Member shall have a

right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to his property, subject to the following provisions:

(a) the right of the Board to charge reasonable admission and other fees for the use of any portion of the Common Area, including, without limitation, swimming pools, to limit the number of guests who may use the Common Area, to allow Persons who are not Members, such as Persons living or working in the vicinity of the Community, to use the Common Area on a regular or temporary basis and to charge or not charge a user fee therefor, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, Occupants, and invitees;

(b) the right of the Board to suspend the voting rights of an Owner and Occupant and the right of an Owner and Occupant to use the Common Area recreational facilities in the Community, if any, for any period during which any Assessment which is hereby provided for remains unpaid, and, for a reasonable period of time for an infraction of the Declaration, Bylaws, use restrictions, rules and regulations or design guidelines;

(c) the right of the Board to borrow money for the purpose of improving the Common Area, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Area; provided, however, the lien and encumbrance of any such Mortgage given shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant and AG, or any Residence or Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Residence or other property located within the Community (Any provision in this Declaration or in any such Mortgage given by the Board 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 and AG, or any Residence or Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Residence or other property located within the Community); and

(d) the right of the Board to dedicate or transfer all or any portion of the Common Area. So long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by Declarant and AG.

An Owner's right of use and enjoyment in and to the Common Area and facilities shall be deemed to have been delegated (except for the right of ingress and egress to the Owner's property) to the Occupants of any leased Residence.

The Board may alter the use of any Common Area. For example, and by way of illustration and not limitation, the Board may convert tennis courts into a basketball court or vice versa. Notwithstanding the foregoing, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof, the consent of Declarant and AG shall be required in order to alter the use of any common area.

An Owner's right of use and enjoyment in and to the Common Area and facilities located thereon shall not give any Owner the right of ingress or egress across any Residence to obtain access to such Common Area.

9.3 Reserved Easement for the Provision of Services to the Community. There is hereby reserved to Declarant and AG, their successors and assigns blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, maintaining, and removing rights-of-way, drainage facilities, floodway easements, and all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, and any other similar service such as, but not limited to, a television antenna system, cable television system, video system, or security system which AG might decide to have installed to serve the Community or any portion thereof. It shall be expressly permissible for Declarant or AG and their successors and assigns to install, repair, replace, maintain, and remove or to authorize the installation, replacement, maintenance, or removal of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Declarant or AG and their successors and assigns shall have full rights of ingress and egress at all times over all portions of the Community for the installation, operation, maintenance, repair, or removal of any of the foregoing utilities or services and shall have the right to remove any unauthorized obstruction placed in or on any of the foregoing easements that would, in the sole discretion of Declarant or AG or their successors and assigns, interfere with the use of the above installation of the foregoing utilities or services. In no event shall the foregoing prohibit paving or landscaping within such easements. Declarant or AG shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies, quasi-public service companies, or relevant governmental authorities. All utilities except drainage installed within the above described easements shall be installed underground. This reserved easement may be assigned by Declarant or AG by written instrument to the Association, and the Association shall accept such assignment upon such terms and conditions as are acceptable to Declarant or AG. Rights exercised pursuant to such reserved easements 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 to minimize the impact of such easements, any damage to the affected property shall be repaired by the Person causing the damage at its sole expense.

9.4 Easement for Entry. In addition to the right of the Board to exercise self-help as provided in Section 10.2, 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.

9.5 Easement for Lake Maintenance. Declarant, the Association and AG hereby expressly reserves a perpetual easement for the benefit of Declarant, the Association and AG and their successors and assigns, across such portions of the Community, determined in the sole discretion of Declarant, the Association and AG (or their successors and assigns), as are necessary to allow for the maintenance of a lake(s), lakebed(s) and shoreline(s), if any, which are within the Community or which are made available for the use and enjoyment of Owners and Occupants within the Community. Such maintenance shall be repaired by the Person causing the damage at its sole expense. In order to allow the exercise of the rights created pursuant to this easement, no tree or structure may be placed within fifteen (15) feet of the line formed by the highest normal pool elevation of any lake without the prior written approval of the Board or its designee.

9.6 Easement for Property Maintenance Along Lake. Every Lake Lot Owner shall have a right and easement of access to that property located between a lake and the property line of such Lake Lot Owner as needed to perform the maintenance required under Article V.

9.7 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section 9.7, the general rules of law regarding party walls and liability for property damage resulting from negligence or willful acts or omissions shall apply to each party wall or party fence which is built as a part of the original construction upon each Lot and any replacement thereof. If any portion of any structure originally constructed by Declarant, including any party wall, any extension of a party wall, or any common fence, protrudes over an adjoining Lot, or into the Common Area, such structure, wall or fence shall be deemed to be a permitted encroachment upon the adjoining Lot or Common Area, and the Owners and the Association shall neither maintain any action for the removal of the encroaching structure, wall or fence, nor any action for damages. If there is a protrusion as described in the immediately preceding sentence, it shall be deemed that the affected Owners or the Association have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the encroaching structure, wall or fence. The foregoing provision also shall apply to any replacements in conformance with the original structure, wall or fence constructed by Developer. The provisions of this Section 9.7 shall be perpetual in duration and shall not be affected by an amendment of this Declaration.

(a) The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(b) If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall shall be required to restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use 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 negligence or willful acts or omissions.

(c) Notwithstanding any other provisions of this Section 9.7, an Owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

(d) The right of any Owner to contribution from any other Owner under this Section 9.7 shall be appurtenant to the land and shall pass to such Owner's successors in title.

(e) In the event of any dispute arising concerning a party wall, or under the provisions of this Section 9.7, each party shall choose one arbitrator, and such arbitrators shall choose an additional arbitrator, and the decision shall be by a majority of three arbitrators so selected. The costs and expenses of all of the arbitrators shall be divided equally among the Owners of the Lots participating in the arbitration proceedings.

9.8 Townhome Easements. Declarant and/or AG intend to construct a townhome on each Townhome Lot, and construction of such dwellings may require that certain eaves, roof overhangs, brick veneers, siding and other architectural features and building materials encroach upon or hang over contiguous Townhome Lots. Accordingly, there is hereby created, granted and reserved as an appurtenance to each Townhome Lot, a perpetual easement over and across each Townhome Lot, contiguous thereto for all such encroachments and overhangs, as well as for all encroachments and overhangs resulting from any natural movement or settling of any such dwelling. In addition, there is hereby created, granted and reserved to the Owner or Owners of each Townhome Lot a license and right of entry across contiguous Townhome Lots as may be reasonably needed to maintain and repair such encroaching or overhanging structures. If any dwelling shall be damaged or destroyed, the Owner or Owners thereof shall be permitted to repair and reconstruct such dwelling with encroachments and overhangs not more intrusive than those existing at the time of such damage or destruction and thereafter said license and right of entry shall continue in effect. In addition, should Declarant or any affiliate thereof develop additional residential subdivisions in the future on property adjacent to the Community, there is hereby reserved to Declarant and its affiliates an easement for ingress and egress over and across the Community as may be necessary for the construction and development of the adjoining property. There is also reserved an easement for drainage as may be required resulting from the topography or lay of the contiguous land. Easements for installation are shown on the record map for the Community.

ARTICLE X
General Provisions

10.1 Enforcement. Each Owner and every Occupant shall comply strictly with the By-Laws, the rules and regulations, the use restrictions and with the design guidelines, all as may be amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration, as may be amended from time to time, and in the deed to his or her property within the Community, if any. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of Assessments. Failure to comply with this Declaration, the Bylaws, the rules and regulations, use restrictions, or design guidelines shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or, in a proper case, by an aggrieved Owner or Occupant. Failure by the Board or any Owner or Occupant to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

So long as AG owns any Lot or other portion of the Community, or any annexable property, if applicable, AG shall have the right to enforce any of the provisions of this Declaration, the Bylaws, or the Certificate of Formation that are intended to be for the benefit of AG. However, none of the provisions of this Declaration shall obligate or be construed to obligate Declarant, or AG, or their respective agents, representatives or employees, to undertake any affirmative action to enforce the provisions of this Declaration, or to undertake any remedial or corrective action with respect to any actual or asserted violation hereof or thereof.

10.2 Self-Help. In addition to any other remedies provided for herein, the Board or its duly authorized agent shall have the power to enter upon a Residence or any portion of the Community to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, the use restrictions, or the design guidelines. Except in the case of emergency situations and towing, the Board shall give the violating Owner ten (10) days' prior written notice of its intent to exercise self-help. All costs incurred shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of Assessments.

10.3 Durations. The provision of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law; provided, however, should any provision of Alabama law now or hereafter in effect limit the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law; and such provisions shall be automatically extended for successive periods of ten (10) years or such shorter period as may be allowed by law, unless such extension is disapproved at a meeting duly called for such purpose by at least a Majority of the Association vote (or, if a meeting is not called, upon the affirmative vote of at least a Majority of the Association votes as recorded by a referendum on the issue) and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof, the written consent of the Declarant. Such meeting or referendum must be held and a written instrument reflecting disapproval must be recorded within the year immediately preceding the beginning of a renewal period. Every

purchaser or grantee of any interest in any real property agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

Notwithstanding anything contained herein to the contrary, these covenants and restrictions shall remain in full force and effect so long as there remains a Common Area.

10.4 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, rules, 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 Residences subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including for example without limitation the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or a State or National Bank, to enable such lender or purchaser to make or purchase Mortgage loans on the Residences 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 Residences subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's property unless any such Owner shall consent thereto in writing. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration as provided in Article VIII hereof, Declarant, with the consent of AG, may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not adversely affect the fee simple title to the property of any Owner without the consent of the affected Owner or Occupant.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a two-thirds (2/3) vote of the total Association vote entitled to vote thereon or three-fourths (3/4) of the Board 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 VIII hereof. In the event of a conflict between the Board and the Association, the Board's decision controls. A meeting may be called (but shall not be required to be called) to consider and vote, upon any amendment. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

Any procedural challenge to an amendment must be made within six (6) months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of the Declaration or Bylaws.

Notwithstanding the foregoing or anything to the contrary herein, (a) so long as AG owns any Lot or other portion of the Community, or any annexable property, if applicable, any amendment to this Declaration shall require the prior written approval of AG, and (b) any amendment to this Declaration that would adversely impact any Exempted Party (or any property owned by any Exempted Party) shall require the express, prior written approval of each

Exempted Party that would be so impacted by the same. Any purported amendment without such approval shall be deemed void and of no force and effect unless subsequently approved by a written consent signed by AG (in the case of subsection (a) of the preceding sentence) and by the impacted Exempted Party (in the case of subsection (b) of the preceding sentence), and recorded in the Probate records of Limestone County, Alabama.

Notwithstanding anything to the contrary contained in this Section 10.4, any amendments to Article V, Section 5.1, which affect the maintenance responsibilities for the Common Area shall be approved by Limestone County, Alabama, if legally required.

10.5 Partition. The Common Area shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community, the written consent of all holders of all Mortgages encumbering any portion of the property located within the Community, and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII hereof, the consent of the Declarant and AG.

10.6 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.

10.7 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 provisions 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.

10.8 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.

10.9 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.

10.10 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 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 other 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.

10.11 Audit. An audit of the accounts of the Association shall be made annually in such manner as the Board may decide. Upon written request of any institutional holder of a first Mortgage, such holder, upon payment of the costs associated therewith, shall be entitled to receive a copy of a financial statement within ninety (90) days of the date of the request.

10.12 Notice of Sale. If an Owner sells his or her Residence, the Owner shall give to the Board, in writing, the name of the purchaser of the Residence and such other information as the Board may reasonably require.

10.13 Estoppel Certificate. Upon the request of any Member, the Board or its designee shall furnish a written certificate signed by an officer or agent of the Association regarding unpaid Assessments levied against that Member's property and any violations of the Declaration, By-Laws, use restrictions, rules and regulations, or design guidelines by any Owner or Occupant of such property. Such certificate shall bind the Association with respect to the foregoing matters. The Association may require the advance payment of a processing fee not to exceed Twenty-Five and No/100 Dollars (\$25.00) for the issuance of each such certificate.

10.14 Agreements. Subject to the prior approval of Declarant and AG, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article VIII above, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

10.15 Implied Rights. The Association may exercise any right or privilege given to it expressly by the Declaration, the Bylaws, the Certificate of Formation, any use restriction or rule, the design guidelines and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

10.16 Limitation on Rights as Declarant. Notwithstanding any other provision contained in this Declaration, as long as Lennar Homes of Alabama, LLC is the Declarant, Lennar Homes

of Alabama, LLC shall not, without the prior written consent of AG, have the right to exercise any of the “Declarant” rights under this Declaration in any manner which will have a material or adverse impact on the Lots or other portion of the Community or any annexable property, if applicable, owned by AG.

10.17 Termination of Option Agreement. Notwithstanding any other provision of this Declaration, Declarant and AG acknowledge that, upon recordation of a termination of the Option Agreement, the Option Agreement, for purposes of this Declaration, shall be deemed terminated and shall no longer be in force or have any effect hereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned, have executed this instrument under seal this 21 day of June, 2023.

DECLARANT:

LENNAR HOMES OF ALABAMA, LLC,
a Delaware limited liability company

By: 


Its: V.P. OF OPERATIONS

AG:

AG EHC II (LEN) MULTI STATE 2, LLC,
a Delaware limited liability company

By: Essential Housing Asset Management, LLC,
an Arizona limited liability company

Its: Authorized Agent

By: 

Steven S. Benson

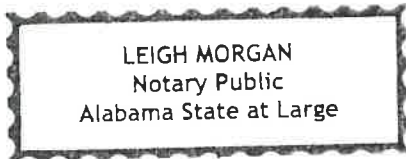
Its: Manager

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned Notary Public in and for said county and state, hereby certify that REJO HIN, as VP OF OPERATIONS of LENNAR HOMES OF ALABAMA, LLC, a Delaware limited liability company, whose name 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/she, as such officer, and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this the 27 day of JUNE, 2023.



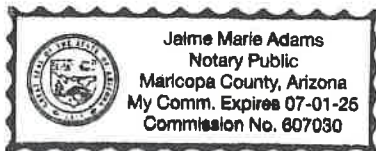
Leigh Morgan
Notary Public
My Commission Expires: 02/13/27

STATE OF Arizona

COUNTY OF Maricopa

I, the undersigned Notary Public in and for said county and state, hereby certify that **Steven S. Benson**, as Manager of Essential Housing Asset Management, LLC, an Arizona limited liability company, as Authorized Agent of AG EHC II (LEN) MULTI STATE 2, LLC, a Delaware limited liability company, whose name 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/she, as such officer, and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and official seal this the 21 day of June, 2023.



Jaime Marie Adams
Notary Public
My Commission Expires: 07/01/2025

EXHIBIT "A"

Legal Description

All Lots and Common Areas as shown on that certain Final Plat entitled "Town Mill" dated August 16, 2022 and recorded November 17, 2022 in Plat Book K at Pages 300 - 301 in the Office of the Judge of Probate of Limestone County, Alabama.

Recording Fee	103.00
TOTAL	103.00