

**COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EMERALD SHORES**

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EXHIBITS

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- B Nontransferable Lakeshore Use Permit Martin Lake

**COVENANTS, CONDITIONS AND RESTRICTIONS
FOR EMERALD SHORES**

THESE Covenants, Conditions and Restrictions for Emerald Shores (“Covenants”) are made as of _____, 2004, by Alabama Property Company (“Developer”).

RECITALS:

- A. Developer is the owner of the Property, as described in Section 1.38 below.
- B. Developer desires to own, develop, improve, transfer, sell, convey, lease, occupy and use the Property for single-family, detached residential housing purposes subject to these Covenants in order to protect the value and desirability of the Property and to have a flexible and reasonable method for the administration and maintenance of the Property.
- C. Developer has heretofore caused the Association, as defined in Section 1.07 below, to be formed as an Alabama nonprofit corporation for the purpose of making Assessments, as defined in Section 1.06 below, and otherwise taking all action, which the Association is authorized to undertake hereunder.

NOW, THEREFORE, subject to the conditions and limitations described below, Developer does hereby further proclaim that all of the Property shall be held, developed, improved, transferred, sold, conveyed, leased, occupied and used subject to these Covenants which shall be binding upon and inure to the benefit of all parties acquiring or having any right, title or interest in any portion of the Property and any of the Additional Property, as described in Section 1.01 below (but only to the extent Developer submits any portion of the Additional Property to the terms and provisions of these Covenants), and their respective heirs, executors, administrators, personal representatives, successors and assigns.

ARTICLE I

DEFINITIONS

As used throughout these Covenants, the following terms shall have the meanings set forth below, which meanings shall be applicable to both the singular and plural forms and tenses of such terms:

1.01 **Additional Property.** The term “Additional Property” shall mean and refer to any real property and any Improvements situated thereon lying adjacent to or in close proximity with the Property which Developer may from time to time submit and add to the provisions of these Covenants pursuant to the provisions of Section 2.02 below. The Additional Property may also include additional Common Areas.

1.02 **Applicable Rate.** The term “Applicable Rate” shall have the meaning shown in Section 8.09(a) herein.

1.03 **ARC.** The term or letters “ARC” shall mean and refer to the Architectural Review Committee appointed pursuant to Section 5.02 hereof with the rights and obligations conferred upon such Architectural Review Committee pursuant to these Covenants.

1.04 **Architectural Standards.** The term “Architectural Standards” shall mean and refer to the standards prepared, issued and amended from time to time by the ARC pursuant to Section 5.04 below for the purpose of reviewing and approving all exterior improvements, landscaping and any other Improvements which may be made to any Lot, Dwelling or Common Area.

1.05 **Articles of Incorporation.** The term “Articles of Incorporation” shall mean and refer to the Articles of Incorporation of the Association and all amendments thereto.

1.06 **Assessment.** The term “Assessment” shall mean and refer to the annual, individual and special assessments and any other charges assessed against any Lot, Dwelling or Owner by the Association pursuant to Sections 8.01, 8.03, 8.04, 8.05 and 8.06 hereof.

1.07 **Association.** The term “Association” shall mean and refer to Emerald Shores Homeowners’ Association, Inc., an Alabama nonprofit corporation.

1.08 **Attic.** The term “Attic” shall mean and refer to any area of any Improvement which is either unfinished for general living accommodations or not air conditioned or heated, and which is above the highest finished ceiling of any Improvement.

1.09 **Basement.** The term “Basement” shall mean and refer to any area of any Improvement which is either unfinished for general living accommodations or not air conditioned or heated, and which is confined by four subterranean walls.

1.10 **Board.** The term “Board” shall mean and refer to the members of the Board of Directors of the Association and their duly elected successors as may be provided in the Articles of Incorporation and Bylaws, as the same may exist and be altered, amended, changed or modified from time to time.

1.11 **Boat Ramp.** The term “Boat Ramp” shall mean and refer to that area (along with the boat ramp thereon) which is immediately south of South Holiday Drive and west of Lot 1 as shown on the Plat and which is labeled on the Plat as a Common Area whose uses include, but are not limited to, the construction, maintenance and improvement of the boat ramp shown therein at the approximate location shown therein. Developer shall provide (but not maintain) the boat ramp on this area and Developer may relocate the Boat Ramp from time to time and in Developer’s sole and absolute discretion. The Boat Ramp may be used by the Owner and Occupant of any Lot and such other persons as may be designated from time to time by the Developer.

1.12 **Bulk Storage Area.** The term “Bulk Storage Area” shall mean and refer to any portion of any Improvement which is either unfinished or not air conditioned or heated and used for the sole purpose of storage.

1.13 **Bylaws.** The term “Bylaws” shall mean and refer to the bylaws of the Association, as the same may be altered, amended, changed or modified from time to time.

1.14 **Common Areas.** The term “Common Areas” shall mean and refer to all real and personal property or easements currently existing or hereafter owned, designated or operated by the Developer or the Association for the nonexclusive, common use and enjoyment of the Owners and Occupants. To the extent that they are not located solely within the boundary lines of any Lot or Dwelling within the Property, the Common Areas shall include: (a) all private roadways and easements located within the boundaries of the Property which provide ingress to and egress from any portion of the Property; (b) all signage, street lights, lighting, walkways, sidewalks, paths, landscaped areas or other Improvements within the Property (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, and the Scenic Walkway) which are immediately adjacent to any public or private roadways or easements which are adjacent to, in close proximity with or within the Property and which provide ingress to and egress from any portion of the Property; (c) all lakes, water features, storm drains and sewers, drainage and/or watershed protection or retention ponds, basins or other areas and facilities located within the Property; (d) all maintenance, parking, storage and waste disposal areas located within the Property (including, but not limited to, the Waste Disposal Site); (e) all utility lines, pipes, ducts, conduits, equipment, machinery and other apparatus and appurtenances which are located in or serve any portion of the Common Areas (except as such as may be owned by Developer, utility companies or other third parties); (f) all easements and easement areas within the Property; and (g) any other areas or Improvements on or within the Property which may be designated as Common Areas by Developer or the Association from time to time. The designation of any land and/or Improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment thereof or any other rights, licenses or benefits therein, except as expressly herein stated. The enumeration of the items above as components of the defined term “Common Areas” shall not mean or imply that any or all of such improvements currently exist or hereafter shall be created on the Property. Other than the Boat Ramp, the County Roads, the Landscaped Entrances and Signs, the Waste Disposal Site and all utility lines, pipes, ducts, conduits, equipment, machinery and other apparatus and appurtenances which are located in or serve any of the same which

Developer hereby obligates itself to construct, create and provide, at Developer's expense, as part of the Common Areas, there shall be no obligation for the Developer or the Association, by virtue of this Section 1.14, to construct, create or provide such Improvements on the Property. Nevertheless, if any such other Improvements are constructed, created or provided on the Property by Developer, at Developer's expense, such Improvements shall be deemed Common Areas for the purposes of these Covenants.

1.15 **Common Expense; Common Expenses.** The term "Common Expense or Common Expenses" shall mean and refer to any or all expenditures made or incurred by or on behalf of the Association, including, without limitation, those expenses described in Section 8.04(d) below, and all funds assessed for the creation or maintenance of reserves pursuant to the provisions of these Covenants.

1.16 **County Roads.** The term "County Roads", whether used in the singular or in the plural, shall mean and refer to those certain public roadways situated within the Property, as generally depicted on the Plat (as defined below), and which have been dedicated to and accepted by the County Commission of Tallapoosa, Alabama as public roadways, and all additions, improvements and alterations thereto which may be made to such public roadways from time to time.

1.17 **Covenants.** The term "Covenants" shall mean and refer to these Covenants, Conditions and Restrictions for Emerald Shores as set forth herein, and all amendments thereto.

1.18 **Deposit.** The term "Deposit" shall have the meaning shown in Section 6.34(k) herein.

1.19 **Developer.** The term "Developer" shall mean and refer to Alabama Property Company, an Alabama corporation, its successors and assigns.

1.20 **Dwelling.** The term "Dwelling" shall mean and refer to any improved Lot within the Property intended for use as single-family, detached residential housing, and all additions, modifications and alterations to any such residential housing. Wherever any of the phrases "Lot or Dwelling", "Lots or Dwellings", "Lot and Dwelling" or "Lots and Dwellings" appear herein, the term "Dwelling" or "Dwellings" in those instances shall include the Lot or Lots upon which such Dwelling or Dwellings are constructed. As used herein, the "Roadside" of any Lot or Dwelling shall mean and refer to that side of a Lot which includes the main doorway of any Dwelling thereon through which an Owner or Occupant commonly enters and leaves the Dwelling and which is immediately adjacent to a County Road. As used herein, the "Lakeside" of any Lot or Dwelling shall mean and refer to that side of a Lot which does not include the main doorway of any Dwelling thereon through which an Owner or Occupant commonly enters and leaves the Dwelling and which is not immediately adjacent to a County Road, but which is immediately adjacent to the Lake. As used herein, the "Side" of any Lot or Dwelling shall mean and refer to any side of a Lot or Dwelling which is not the Roadside or the Lakeside.

1.21 **Governmental Authority.** The term "Governmental Authority", whether used in the singular or the plural, shall mean and refer to any and all city, county, state and federal governmental or quasi-governmental agencies, bureaus, departments, divisions or regulatory authorities having jurisdiction over any portion of the Property.

1.22 **High Water Mark.** The normal high elevation of water in the Lake which is located at the four hundred ninety foot (490' mean sea level) elevation contour line of the Lake.

1.23 **Improvement.** The term "Improvement" shall mean and refer to all Dwellings, and any building, structure, planting or device constructed, erected or placed upon the Property which in any way affects the exterior appearance of any Lot, Dwelling or Common Area. Improvements shall include, by way of illustration and not limitation, buildings, sheds, barns, foundations, covered patios, helipads, underground utilities, septic tanks, roads, sidewalks, walkways, driveways, parking lots, paving, curbing, parking areas, trees, shrubbery, landscaping, mailboxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, exterior lights, irrigation, screening, walls, signs, satellite dishes, radio or television antennas, gazebos, statues, monuments, fountains, lawn sculptures, lawn furnishings, rock gardens, rock walls, garages, boat docks, boat houses, bulkheads, piers, seawalls, or any other outbuildings or structures or landscaping, and any other

artificial or man-made changes or alterations to the natural condition of any Lot or Dwelling. Improvements shall also mean any painting or staining of any exterior surfaces and any grading and any excavation or fill, the volume of which exceeds eight (8) cubic yards, and any permanent soil erosion controls, ponds, lakes, or drainage channels.

1.24 **Institutional Mortgagee.** The term “Institutional Mortgagee” shall mean and refer to (a) any federal or state chartered bank, trust company, life insurance company, federal or state chartered savings and loan association, federal or state chartered credit union, real estate investment trust or other recognized lending institution which normally and customarily engages in the business of making Mortgage loans; (b) any institutional or governmental purchaser of Mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; and (c) any pension or profit-sharing trust that makes Mortgage loans or that purchases Mortgage loans in the secondary market, which holds a first Mortgage on any Lot or Dwelling which has been duly and properly recorded in the Probate Office of Tallapoosa County, Alabama.

1.25 **Lake.** The term “Lake”, whether used in the singular or the plural, shall mean and refer to Lake Martin and the Tallapoosa River and any of their tributaries and channels which are situated in Tallapoosa County, Alabama.

1.26 **Landscaped Entrances and Signs.** The term “Landscaped Entrances and Signs” shall mean and refer to those areas (along with the landscaping and signs thereon) which are immediately south of and adjacent to points on South Holiday Drive which provide ingress to and egress from Lots 11-50 as shown on the Plat and which are labeled on the Plat as Common Areas, “C1,” “C2,” “C3,” and “C4.” Developer shall provide (but not maintain) the landscaping and signs on these areas which set forth “Emerald Shores” as the name of the Property and Developer may relocate the Landscaped Entrances and Signs from time to time and in Developer’s sole and absolute discretion.

1.27 **Living Space.** The term “Living Space” shall mean and refer to the enclosed and covered areas within a Dwelling which are heated and cooled by heating, ventilating and air conditioning equipment, and which are finished for general living accommodations, exclusive of garages, carports, porches, terraces, balconies, decks, patios, courtyards, greenhouses, boat houses, Bulk Storage Areas, Attics and Basements.

1.28 **Lot.** The term “Lot” shall mean and refer to any unimproved portion of the Property upon which the Owner thereof intends that a Dwelling be constructed. Upon the recordation of the Plat for any portion of the Property, each lot indicated thereon shall be deemed a Lot for purposes of these Covenants. A parcel of land shall be deemed unimproved and thus considered to be a Lot rather than a Dwelling until a certificate of occupancy is issued by applicable Governmental Authorities. Upon such completion, such Lot and the Improvements thereon shall collectively be considered to be a Dwelling for purposes of these Covenants. In the event any Lot is resubdivided by Developer pursuant to the provisions of Section 2.06 hereof, the resubdivided Lots shall constitute the number of Lots which remain after such division or combination of Lots.

1.29 **Maximum Living Space.** The term “Maximum Living Space” shall have the meaning stated in Section 6.09 hereof.

1.30 **Minimum Living Space.** The term “Minimum Living Space” shall have the meaning shown in Section 6.08 herein.

1.31 **Mortgage.** The term “Mortgage” shall mean and refer to any mortgage, deed of trust or other security device encumbering a Lot or Dwelling or any interest therein and which shall have been duly and properly recorded in the Probate Office of Tallapoosa County, Alabama.

1.32 **Mortgagee.** The term “Mortgagee” shall mean and refer to the holder of any Mortgage and shall include any Institutional Mortgagee.

1.33 **Occupant.** The term “Occupant” shall mean and include any Owner, the family members, guests, tenants, agents, servants, employees and invitees of any Owner and their respective family members, guests, tenants, agents, servants, employees, invitees and any other person who occupies or uses any Dwelling within the Property.

All actions or omission of any Occupant is and shall be deemed the action or omission of the Owner of such Dwelling.

1.34 **Owner.** The term "Owner" shall mean and refer to the record owner, including Developer, of fee simple title to any Lot or Dwelling, whether a corporation, partnership, proprietorship, association or other entity of any nature, including natural persons, but shall not include: (i) any Mortgagee unless and until such Mortgagee has foreclosed on its Mortgage and purchased such Lot or Dwelling at the foreclosure sale held with respect to the foreclosure of such Mortgage; or (ii) any lessee, purchaser, contract purchaser or vendor who has an interest in any Lot or Dwelling solely by virtue of a lease, contract, installment contract or other agreement.

1.35 **Pets.** The term "Pets" shall have the meaning stated in Section 6.28(a) herein.

1.36 **Plan Review Fee.** The term "Plan Review Fee" shall mean and refer to a fee in a reasonable amount established by the ARC, and subject to change from time to time, to be charged to an Owner for the review of such Owner's plans and specifications for construction of any Dwelling and other material Improvements on any Lot.

1.37 **Plat.** The term "Plat" shall mean and refer to the Emerald Shores Final Subdivision Plat recorded in Map Book _____, page _____, in the Office of the Judge of Probate of Tallapoosa County, Alabama.

1.38 **Property.** The term "Property" shall mean and refer to approximately 78.05 acres of real property known as "Emerald Shores Subdivision" situated in Tallapoosa County, Alabama and being more particularly described in **Exhibit A** attached hereto and incorporated herein by reference, and all Improvements thereon and any Additional Property submitted thereto and made subject to these Covenants pursuant to Section 2.02 hereof as Developer, in its sole discretion, shall deem necessary or desirable.

1.39 **Scenic Walkway.** The term "Scenic Walkway" shall mean and refer to the concrete sidewalk generally located within the Common Area between Lots 11-50 as shown on the Plat and as labeled as having uses which include, but are not limited to, the construction, maintenance and improvement of a garbage or waste disposal facility or site on a portion of the Common Area to be determined by Developer. Developer shall provide (but not maintain) the Scenic Walkway in this Common Area and Developer may relocate the Scenic Walkway from time to time and in Developer's sole and absolute discretion. The Scenic Walkway may be used by the Owner and Occupant of any Lot and such other persons as may be designated from time to time by Developer.

1.40 **Special Assessments.** The term "Special Assessments" shall have the meaning stated in Section 8.05 hereof.

1.41 **Waste Disposal Site.** The term "Waste Disposal Site" shall mean and refer to such area (along with garbage or waste disposal bins, cans, receptacles or other facilities) generally located within the Common Area between Lots 11-50 as shown on the Plat and as labeled as having uses which include, but are not limited to, the construction, maintenance and improvement of a garbage or waste disposal facility or site on a portion of the Common Area to be determined by Developer. Developer shall provide (but not maintain) the Waste Disposal Site in this Common Area and Developer may relocate the Waste Disposal Site from time to time and in Developer's sole and absolute discretion. The Waste Disposal Site may be used by the Owner and Occupant of any Lot and such other persons as may be designated from time to time by Developer. Annual use fees for the Waste Disposal Site will be determined by the ARC. The Waste Disposal Site is intended to provide Owners a disposal facility for common household garbage not to include construction or yard debris, etc.

ARTICLE II

PROPERTY SUBJECT TO COVENANTS

2.01 **General.** Developer hereby proclaims that the Property is and shall be subject to the easements, covenants, conditions, restrictions, charges, liens and regulations of these Covenants, and the Property, any part thereof and each Lot or Dwelling and Common Area thereon shall be held, owned, sold, transferred, conveyed,

hypothecated, encumbered, leased, occupied, built upon and otherwise used, improved and maintained subject to the terms of these Covenants, which easements, covenants, conditions, restrictions, charges, liens and regulations shall run with the title to the Property and shall be binding upon and inure to the benefit of Developer, the Association and all Owners and Occupants of the Property and any Lot or Dwelling and Common Area thereof.

2.02 **Additional Property.** Developer reserves the right, in its sole and absolute discretion, at any time and from time to time during the pendency of these Covenants, to add and submit any Additional Property to the provisions of these Covenants and, to the extent any of the Additional Property is specifically submitted to the terms and provisions of these Covenants by Developer, then any such Additional Property shall constitute part of the Property. Additional Property may be submitted to the provisions of these Covenants by an instrument executed by Developer in the manner required for the execution of deeds and recorded in the Probate Office of Tallapoosa County, Alabama, which instrument shall be deemed an amendment to these Covenants (which need not be consented to or approved by any Owner, Occupant or Mortgagee of any Lot or Dwelling) and shall: (a) refer to these Covenants stating the book and page number in the Probate Office of Tallapoosa County, Alabama where these Covenants are recorded; (b) contain a statement that such Additional Property is conveyed subject to the terms and provisions of these Covenants, or only specified portions thereof; (c) contain an exact description of such Additional Property; and (d) state such other or different covenants, conditions and restrictions as Developer, in its sole and absolute discretion, shall specify to regulate and control the use, occupancy and improvement of such additional property. From and after the date on which any amendment to these Covenants is recorded in the Probate Office of Tallapoosa County, Alabama submitting any Additional Property to the terms and provisions of these Covenants, the number of votes in the Association shall be increased by the number of Lots within the Additional Property which is added and submitted to these Covenants and in accordance with the voting rights set forth in the Bylaws. In no event shall Developer be obligated to submit any Additional Property to the provisions of these Covenants or to impose any of the covenants, conditions or restrictions set forth in these Covenants upon any real property owned by Developer other than the Property. Notwithstanding anything provided in these Covenants to the contrary, (1) the provisions of this Section 2.02 may not be abrogated, modified, rescinded, supplemented or amended, in whole or in part, without the prior written consent of Developer, and (2) the rights reserved by Developer pursuant to this Section 2.02 shall not be deemed to inure to the benefit of any transferee or purchaser of any Additional Property or any portion thereof, unless Developer, in its sole discretion, transfers and conveys to such transferee or purchaser the rights reserved herein by express reference to Section 2.02 of these Covenants.

2.03 **Right of Developer to Modify Restrictions with Respect to Lots Owned by Developer.** With respect to any Lot or Dwelling owned by Developer, Developer may, by deed, contract or other instrument filed for record in the manner specified in Section 2.02 above, modify the provisions of these Covenants as the same apply to any such Lot or Dwelling, including but not limited to, the withdrawal of any such Lot or Dwelling from the operation and effect of these Covenants.

2.04 **Mutuality of Benefit and Obligation.** The provisions of these Covenants are made: (a) for the mutual and reciprocal benefit of each Lot and Dwelling within the Property and are intended to create mutual, equitable servitudes upon and in favor of each Lot and Dwelling; (b) to create reciprocal rights and obligations between the respective Owners and all future and subsequent Owners of any Lot or Dwelling within the Property; and (c) to create a privity of contract and estate between the Owners, their respective heirs, successors and assigns.

2.05 **Development of Property.** Subject to the approval of any Governmental Authority with appropriate jurisdiction, Developer shall have the right, but not the obligation, for so long as Developer owns any portion of the Property, or until such earlier date as Developer elects in its sole discretion to relinquish such right, to make improvements and changes to all Common Areas and to all Lots or Dwellings owned by Developer, including, without limitation: (i) installation and maintenance of any Improvements in or to the Common Areas; (ii) changes in the location of the boundaries of any Lot or Dwelling owned by Developer or of the Common Areas; (iii) installation of any water, sewer and any other utility systems and facilities within the Common Areas; (iv) installation of trash and refuse facilities; and (v) installation and maintenance of any soil erosion control, ponds, lakes or drainage channels.

2.06 **Plat.** Developer reserves the right to modify, amend, revise and otherwise add to, at any time and from time to time, the Plat setting forth such information as Developer may deem necessary with regard to the Property, including, without limitation, the locations and dimensions of all Lots, Dwellings, Common Areas,

Additional Property, public or private roads, utility systems, drainage systems, utility easements, drainage easements, access easements, set-back line restrictions, lakes, retention ponds and drainage basins. The Plat and any amendments thereto shall be binding on the portions of the Property indicated thereon as if such the Plat were specifically incorporated into these Covenants. Notwithstanding anything provided to the contrary in these Covenants, Developer may at any time or from time to time divide and redivide, combine and resubdivide any Lots owned by Developer and change any easement description or relocate any roads affected thereby, subject to approval of any Governmental Authority having jurisdiction thereof.

ARTICLE III

EASEMENTS

3.01 Grant of Nonexclusive Easements to Owners.

(a) Common Areas. Subject to the terms and conditions of these Covenants and the rules, regulations, fees and charges from time to time established by the Board and the Association, Developer does hereby grant to each Owner and Occupant the nonexclusive right, privilege and easement of access to and the use and enjoyment of the Common Areas in common with Developer, its successors and assigns, and all other Owners and Occupants (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway and the Waste Disposal Site), whether such Common Areas are currently existing or hereafter created. Subject to the provisions of Sections 3.03(a) and 3.03(b) below, the easement and rights granted pursuant to this Section 3.01(a) are and shall be permanent and perpetual, are nonexclusive, and are appurtenant to and shall pass and run with title to each Lot and Dwelling. The easements and rights granted pursuant to this Section 3.01(a) are expressly subject to the rights reserved by Developer to restrict access to the Property as provided in Section 3.03(a) below and to take any action necessary or desired in order to cause any of the private roadways in the Property to be dedicated and accepted public roadways by any Government Authority as provided in Section 3.03(b) below. The use of any Common Areas shall be subject to such reasonable rules and regulations as may be adopted by the Association from time to time. The Association shall have the right to impose assessments for the improvement, maintenance or repair of the Common Areas (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway and the Waste Disposal Site) and the responsibility to pay such assessments shall be borne by each of the Owners of a Lot or Dwelling within the Property. Any assessment for the improvement, maintenance or repair of the Common Areas (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway and the Waste Disposal Site) shall be apportioned equally among all of the Owners of a Lot or Dwelling within the Property and shall constitute an individual assessment against each such Owner pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.10 below and subject to foreclosure as provided for therein. Any provisions herein to the contrary notwithstanding, the initial capital cost of constructing any Improvements on the Common Areas (including, but not limited to the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkways and the Waste Disposal Site) will be paid by the Developer, and such initial capital cost will not be included or funded as a Common Expense.

(b) Private Roadways. Subject to the terms and conditions set forth in these Covenants, and subject also to traffic rules and regulations described in Section 6.37, Developer does hereby grant to each Owner and Occupant for ingress and egress to and from any Lot or Dwelling, a nonexclusive easement over and upon, and the right to use for pedestrian and vehicular travel and transportation purposes, as appropriate, the private roadways within the Property, subject to and in common with the rights of Developer, Developer's successors and assigns, and all other Owners and Occupants and the rights of all other parties having any interest or rights therein including, but not limited to, any other Owner of any portion of the Property and the public should Developer, in its sole and absolute discretion, dedicate any private roadway for acceptance and maintenance by Tallapoosa County, Alabama. The easement and right to use granted pursuant to this Section 3.01(b) are and shall be permanent and perpetual, are nonexclusive, and are appurtenant to and shall pass and run with title to the Lots and Dwellings in the Property. The easement and right to use granted pursuant to this Section 3.01(b) are also subject to all rights of Developer to upgrade and improve any intersection of the Property and any other street or highway when, in Developer's sole and absolute discretion, such upgrading or improvement is necessary to maintain acceptable traffic flow in the Property. Such upgrading and improving shall include, but shall not be limited to, the installation of traffic signals at any such intersection. To the extent Developer is obligated to maintain or otherwise pay any portion of the costs of maintaining any portion of the Property, its medians, drainage facilities, shoulders, and landscaping, or if Developer

deems it necessary or desirable to upgrade or improve any intersection of the Property and any other street or highway as stated above, Association shall assume all of Developer's obligations relating thereto, and such costs shall be a Common Expense for which each Owner of a Lot or Dwelling shall be responsible for the payment of an individual assessment pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein. Any provisions herein to the contrary notwithstanding, the initial capital cost of constructing any of the private roadways will be paid by the Developer, and such initial capital cost will not be included or funded as a Common Expense.

(c) Landscaped Entrances and Signs. Subject to the terms and conditions set forth in these Covenants, and any rules and regulations promulgated by the Association, Developer does hereby grant to each Owner and Occupant of any Lot or Dwelling within the Property a nonexclusive easement for pedestrian egress and ingress over and upon the Landscaped Entrances and Signs.

3.02 Grant of Easement to Governmental Authorities. Subject to the provisions of Section 3.03(a) below, Developer does hereby grant to each branch, bureau, department and agency of any Governmental Authority and its respective agents, employees and representatives, a permanent, perpetual and nonexclusive easement over, across, through and upon the all of the private roadways within the Property forming a part of the Common Areas for the purposes of performing such duties and activities related to law enforcement, fire protection, trash and refuse collection, building inspection services, mail and package delivery, medical and emergency services and any other functions or duties to be performed by the Governmental Authorities as shall be required or appropriate from time to time.

3.03 Reservation of Controlled Access Easement.

(a) Waiver of Unlimited Access. Each Owner, by acceptance of a deed or other instrument conveying any interest in any Lot or Dwelling, does hereby waive all rights of uncontrolled and unlimited ingress to and egress from such Lot or Dwelling, except as such access may be to a private roadway or to a dedicated street within the Property, and acknowledges and agrees that, in order to provide quiet enjoyment to each Owner in the ownership of any Lot or Dwelling: (i) ingress to and egress from the Property may be controlled, restricted and limited to exclude the general public therefrom; and (ii) ingress to and egress from such Owner's Lot or Dwelling may be limited to the County Roads and to the private roadways, walkways, sidewalks and paths as may be designated as Common Areas by Developer or Association; provided, however, that, subject to the terms and provisions of these Covenants, vehicular and pedestrian access to and from all Lots and Dwellings shall be provided at all times.

(b) Power of Attorney. Notwithstanding anything provided to the contrary in these Covenants, Developer: (i) does hereby establish and reserve the right, in Developer's sole and absolute discretion and at any time and from time to time, to dedicate any of the private roadways within the Property, any portion thereof or any other Common Areas as a public roadway or roadways to any Governmental Authority designated by Developer without requirement that the approval or consent of any Owner, Occupant, Mortgagee or other beneficiary of these Covenants be obtained; and (ii) shall be and hereby is authorized and entitled to execute any and all agreements, documents, instruments and subdivision plats pursuant to which any of the other private roadways within the Property, any portion thereof or any other Common Areas are submitted for dedication as a public roadway or roadways. Each Owner, by acceptance of any deed to a Lot or Dwelling, and each Mortgagee, by the acceptance of any Mortgage on any Lot or Dwelling, shall be deemed to, and each does hereby, irrevocably appoint the Developer as its respective agent and attorney-in-fact for the purpose of executing, signing, acknowledging, swearing to and recording any and all instruments, certificates, documents, agreements and subdivision plats relating to the dedication of any of the private roadways within the Property, any portion thereof or any other Common Areas for and in the name of any such Owner and Mortgagee in their name, place and stead. The power and authority conditionally granted herein is hereby declared to be irrevocable and a power coupled with an interest which shall survive the death or dissolution of any Owner or Mortgagee and be binding on all Owners and Mortgagees and their respective heirs, executors, administrators, personal representatives, successors and assigns and anyone having any interest in any Lot, Dwelling or Common Area or in any of the easement rights created or granted in these Covenants. The rights reserved by Developer pursuant to this Section 3.03(b) may be assigned to the Association. Upon such assignment, the Association shall have the same rights reserved herein to Developer.

(c) Benefit of Easements. The easements, rights and privileges granted in Sections 3.01 and 3.03 shall pass with each Lot and Dwelling as an appurtenance thereto and may not be severed, transferred, assigned or otherwise alienated separate or apart from a Lot or Dwelling.

3.04 Reservation of General Access Easement. Developer does hereby establish and reserve for itself, the ARC, and the Association, their respective agents, employees, representatives, invitees, successors and assigns, a permanent, perpetual and nonexclusive easement appurtenant over, across, through and upon each Lot and Dwelling for the purpose of providing ingress and egress to and from each Lot and Dwelling for (a) inspecting each Lot and Dwelling and any Improvements thereon in order to determine compliance with the provisions of these Covenants, and (b) the performance of the respective duties of Developer, the ARC and the Association hereunder, including, without limitation, taking any action required or permitted to be taken by Developer, the ARC and/or the Association pursuant to any of the terms or provisions of these Covenants or the Bylaws; provided, however, that upon completion and occupancy of any Lot or Dwelling, then except in the event of emergencies, the foregoing easement shall be utilized only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant of such Lot or Dwelling directly affected thereby.

3.05 Reservation of Easements with Respect to Common Areas.

(a) Easement Upon Common Areas. Developer does hereby establish and reserve, for itself, the Association, the ARC, and their respective agents, employees, representatives, invitees, successors and assigns, a permanent and perpetual nonexclusive easement appurtenant over, across, under, through and upon all of the Common Areas (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway and the Waste Disposal Site) which are currently existing or may be hereafter created for the purpose of (i) constructing, installing, maintaining, repairing and replacing any Improvements on the Property or on the Common Areas and (ii) doing all other things reasonably necessary and proper in connection therewith; provided, however, that nothing in this sentence shall obligate Developer to undertake any of the foregoing. In addition to the other rights and regardless of whether Developer continues to own any portion of the Property, Developer hereby establishes and reserves for itself and its successors and assigns, a permanent and perpetual, nonexclusive easement to have access and ingress to and egress from and the right and privilege to use and enjoy the Common Areas and all Improvements thereon for such purposes as Developer deems appropriate; provided, however, that Developer should not exercise such rights so as to interfere unreasonably with the rights of Owners to use the Common Areas.

(b) Changes in Common Areas. Developer does hereby establish and reserve unto itself and its successors and assigns the permanent right to change, modify and realign the boundaries of any of the Common Areas whether currently existing or hereafter created, any Lots, Dwellings, or other portions of the Property owned by Developer. Developer further reserves the right, but shall not have any obligation, to convey by quitclaim deed to the Association at any time and from time to time any Common Areas (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs and the Waste Disposal Site) which are currently existing or which hereafter shall be created along with any Improvements thereto, or any portion of the Property, all as Developer, in its sole and absolute discretion, may determine. No approval from any Owner of any Lot or Dwelling on the Property, or from the Board of the Association, or from any other person or entity whatsoever, shall be required for Developer, or Developer's successors or assigns, to make any such conveyance.

3.06 Reservation of Easement for Utilities; Project License; Control Easement Area; Water Quality and Quantity; Ownership and Use of Islands in Lake.

(a) Reservation of Easement for Utilities. Developer does hereby establish for and reserve to itself and the Association, and their respective successors and assigns, and all publicly and privately owned utility service providers, a permanent and perpetual nonexclusive easement over, across, under, through and upon all of the Common Areas (whether currently existing or hereafter created), the area which is twenty feet (20') inside of and adjacent to the Roadside boundary line of each Lot, and the area which is ten feet (10') inside of and adjacent to the Side boundary line of each Lot, which are reasonably necessary for the purpose of installing, erecting, replacing, relocating, maintaining and operating television and/or cable systems, electric power transmission lines, gas transmission lines, telephone lines, potable water lines, sewer lines, storm drains and sewers, drainage systems, retention ponds, lakes, basins and facilities, lines, pipes, conduits, equipment, machinery and other structures, works, facilities, apparatus and appurtenances necessary or otherwise reasonably required in order to provide any utility

service to and use any portion of the Property. In addition, Developer does hereby establish for and reserve to Alabama Power Company (hereinafter referred to as the "Company"), its successors and assigns, the right to construct, operate and maintain, in or on the Lake, and in or on any waters leading to or from the same, dams, power plants, locks, water channels and other structures or works necessary in connection with a dam or dams constructed or to be constructed either up or downstream from the Property, and Developer further does hereby establish for and reserve to the Company the right to back-up and maintain the waters of the Lake and the Tallapoosa River, their tributaries and/or such channels from time to time over and upon the High Water Mark until the four hundred ninety foot (490' mean sea level) elevation contour line and to raise and lower such waters as the Company deems necessary, in its sole and absolute discretion. The easements established and reserved herein shall include the right of ingress and egress, to cut and remove trees, undergrowth and shrubbery, to grade, excavate or fill and to otherwise take all other action reasonably necessary to provide economical and safe installation, maintenance, repair, operation and replacement of all such utility services and the systems, and any equipment, machinery, structures, works, facilities, apparatus and appurtenances used to provide the same. Notwithstanding anything provided in this Section 3.06 to the contrary, (i) the utilization of any of the easements and rights established and reserved pursuant to this Section 3.06 shall not unreasonably interfere with the use or occupancy of any Lot or Dwelling, and (ii) Developer shall use good faith efforts to attempt to cause any utility service provider which may utilize any of the easements and rights reserved and established pursuant to this Section 3.06 to take reasonable action to repair any damage to any Lot or Dwelling caused by such utility service provider during the exercise of any rights established and reserved herein; provided, however, that neither Developer nor Association, by virtue of this sentence, shall be liable to any Owner, Occupant, their heirs, successors or assigns, or to any other person or entity whatsoever for any damage to property or injury or death to persons so caused.

(b) Project License. The Property is within the project boundary of the Company's Tallapoosa River hydroelectric project, which the Company operates and maintains under a license issued by the Federal Energy Regulatory Commission (hereinafter referred to as "FERC") for Project No. 349 (hereinafter referred to as the "Project License"). All rights of any Owner or Occupant to any Lot or Dwelling within the Property, and all rights of use of any Owner or Occupant to the Lake, are subject to the terms and conditions of the Project License, including any amendments thereto, and any license that may subsequently be issued to the Company for the Tallapoosa River hydroelectric project, together with the applicable provisions of the Federal Power Act, and the rules, regulations and orders of FERC. No Owner of any Lot or Dwelling shall use any portion of the Property or the Lake in any manner so as to endanger health, create a nuisance or otherwise be incompatible with the Company's use of the Tallapoosa River hydroelectric project for purposes authorized by the Project License. The Owner of any Lot or Dwelling shall also take all reasonable precautions to ensure that the construction, operation and maintenance of the Dwelling and Improvements on its Lot within the Property will occur in a manner that will protect the scenic, recreational and environmental values of the Property. The ownership interest of any Owner in any Lot or Dwelling may be affected by Developer upon reasonable notice given by Developer to such Owner if required by Developer to accomplish any Tallapoosa River hydroelectric project purpose or as otherwise required by FERC.

(c) Control Easement Area. Pursuant to the requirements of the Project License, Developer reserves to the Company a control easement on any Lot or Dwelling on the Property and such control easement shall be located within the part of the Property which is a thirty foot (30') wide strip of land lying above, adjacent to and along the four hundred ninety foot (490' mean sea level) elevation contour line (hereinafter referred to as the "Control Easement Area"). No Owner of a Lot or Dwelling on the Property may erect or maintain any Improvements, or any portion thereof, in the Control Easement Area without first obtaining the Company's express written permission. In no event may the Owner of any Lot erect or maintain a Dwelling, or any portion thereof, in the Control Easement Area. Subject to compliance with all other provisions of these Covenants, the Company, in its sole and absolute discretion, may grant permission to erect and maintain Improvements (other than a Dwelling) upon the Company's receipt and approval of a "Nontransferable Lakeshore Use Permit Martin Lake" (the form of which is prepared by and may be obtained from the Company) completed to the satisfaction of the Company and accompanied by plans and specifications for the proposed Improvements. From time to time, the Company may amend and modify said permit to conform with the terms and conditions of the Project License and any license that subsequently may be issued for the project lands and waters, together with the applicable provisions of the Federal Power Act, and the rules, regulations and orders of FERC, all as may be amended and modified from time to time. The form of the permit which currently is in effect is attached to these Covenants as **Exhibit B** and incorporated herein by reference. Prior to the commencement of any construction or installation of Improvements (other than a

Dwelling) within the Control Easement Area, all requests for such construction or installation must be submitted to Alabama Power Company, 1296 South Tallasse Street, Dadeville, Alabama 36853, Attn: Corporate Real Estate, Lake Management. All construction, maintenance and use of Improvements (other than a Dwelling) within the Control Easement Area which are approved by the Company shall be specifically subject to the provisions of the Lakeshore Use Permit. Any conveyance, development, encumbrance, holding, hypothecation, improvement, sale, transfer, lease, occupation and use of a Lot or Dwelling within the Property by the Owner and Occupants thereof, and the successors, assigns and purchasers of such Owner, shall be subject to the restrictions set forth in the permit attached hereto as **Exhibit B** as the same may be hereafter amended and modified to conform with the terms and conditions of the Project License and any license that subsequently may be issued for the project lands and waters, together with the applicable provisions of the Federal Power Act, and the rules, regulations and orders of FERC, all as may be amended and modified from time to time.

(d) Water Quality and Quantity. The quantity and quality of the water in the Lake are subject to the following matters: (i) the terms and conditions of the Project License issued to the Company by FERC, including any amendments thereto, and any license that may subsequently be issued to the Company for the Tallapoosa River hydroelectric project, together with the applicable provisions of the Federal Power Act, and the rules, regulations and orders of FERC, all as may be amended and modified from time to time; (ii) present disputes between the states of Alabama, Georgia and Florida related to use of the water in the Lake, including quantity and quality, which may affect water quality and quantity; (iii) the discharge of wastewater by municipalities and industries through publicly owned wastewater treatment facilities; and (iv) runoff from septic, agricultural and domestic sources into the Lake by parks owned and operated by the State of Alabama, residential homeowners, recreational homeowners, commercial businesses and others in and around the Lake. Also, the city of Alexander City, Alabama has relocated the discharge point of its wastewater treatment facility from Sugar Creek to the main channel of the Tallapoosa River. Neither the Company, Developer, nor any of their parents, subsidiaries or related companies, nor any of the respective agents, employees, representatives, successors or assigns of any of the same, is able to predict the possible outcome of any of the foregoing matters on the quality or quantity of the water in the Lake. Furthermore, by acceptance of any deed or other instrument from Developer which conveys any right or interest in the Property or to a Lot or Dwelling within the Property, each Owner agrees and acknowledges that neither the Company, Developer, nor any of their parents, subsidiaries or related companies, nor any of the respective agents, employees, representatives, successors or assigns of any of the foregoing, makes any representation or warranty concerning the effect, if any, that any of the foregoing matters may have on the quality and quantity of the water in the Lake.

(e) Ownership and Use of Islands in Lake. There are several uninhabited islands located in the Lake and some of these islands are located near the Property. Some of the islands which are located near the Property are owned by the Company and, pursuant to the Project License, are required to be kept open by the Company at all times for use by the public for recreational purposes. By acceptance of any deed or other instrument from Developer which conveys any right or interest in the Property or to a Lot or Dwelling within the Property, each Owner agrees and acknowledges that neither the Company, Developer, nor any of their parents, subsidiaries or related companies, nor any of the respective agents, employees, representatives, successors or assigns of any of the same, is or shall be obligated to extend any right or interest to any island located near the Property.

3.07 Reservation of Easements for Signs and Walks, Boat Ramp, Scenic Walkway and Waste Disposal Site. Developer does hereby establish and reserve for itself, the Association, and their respective successors and assigns, a permanent and perpetual easement over, across, through and upon a strip of land five feet (5') in width on the side of a Roadside boundary line and Side boundary line of any Lot lying parallel and directly adjacent to and abutting any public or private roadway, for the purpose of constructing, installing, maintaining, repairing, operating, replacing and the use of sidewalks, walkways, traffic signs, automated traffic signals, street lights and related improvements, if any; provided, however, that neither Developer nor the Association, by virtue of this sentence, shall have any obligation to construct any of the foregoing improvements, except as otherwise specifically provided herein.

3.08 Reservation of Maintenance Easement. Subject to the terms and provisions of Section 7.02(b) below, Developer does hereby establish and reserve for the Association, and each of its respective agents, employees, successors and assigns, a permanent and perpetual right and easement to enter upon any Lot or Dwelling for the purpose of landscaping, mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash so as to maintain reasonable standards of health, fire, safety and appearance on

the Property; provided, however, that such easement shall not impose any duty or obligation upon Developer or the Association to perform any of the foregoing actions.

3.09 Reservation of Environmental Easement. Developer does hereby establish and reserve for itself, the ARC, the Association and their respective agents, employees, successors and assigns, a permanent and perpetual right and easement on, over, across and upon all Lots and all unimproved portions of any Dwellings for the purpose of taking any action necessary to effect compliance with the Architectural Standards or any environmental rules, regulations and procedures from time to time promulgated or instituted by any Governmental Authorities or the Association, including, but not limited to, such rules, regulations and procedures regarding sedimentation, soil erosion or storm water control. Except in the case of an emergency situation or a perceived emergency situation, the exercise by Developer or the Association of the rights reserved in this Section 3.09 shall not unreasonably interfere with the use or occupancy of any Dwelling situated on any Lot.

3.10 Landscaping by Owners on Easement Areas. The Developer, the Association, any Governmental Authority, any utility service provider, and each of their respective successors and assigns, shall not be liable to any Owner, Occupant or any other party for and on account of damage to any landscaping or plantings placed on any easement area or road right-of-way on the Property by any Owner, Occupant or any other party.

3.11 Other Easements. No Owner shall enter into any easement, right-of-way, license or other arrangement which grants a right of use in such Owner's Lot or Dwelling with another Owner of a Lot or Dwelling, or any other person or entity without the written consent of Developer. The Developer must approve and co-execute any written and/or recorded easement, right-of-way, license or other arrangement which grants a right of use across the Property or a Lot or Dwelling within the Property. Notwithstanding anything to the contrary in the foregoing, the Owner of a Lot or Dwelling within the Property may enter into an easement, right-of-way, license or other arrangement with the Company without Developer's written consent.

ARTICLE IV

ASSOCIATION

4.01 Membership. The Owner of each Lot contained in the Plat of the Property shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot; provided, however, that: (a) Developer shall be deemed a member of the Association for so long as Developer owns any portion of the Property, or until such earlier date as Developer elects, in Developer's sole and absolute discretion, to terminate Developer's membership in the Association; (b) in the event any Lot is owned by more than one (1) person, then the Owner of such Lot shall, by written notice to the Board, designate only one (1) representative to serve as a member of the Association until such time, if at all, that the Mortgagee becomes an Owner by virtue of foreclosure of its Mortgage and title to such encumbered Lot or Dwelling is vested in Mortgagee pursuant to a duly recorded deed. The transfer or conveyance of fee title to any Lot (other than by a Mortgage as security for the payment of an obligation), shall automatically include the transfer of all membership rights of such Owner in the Association with respect to the Lot transferred and conveyed, notwithstanding any failure of the transferor to endorse to his transferee any certificates, assignments or other evidence of such membership. Membership or the rights and benefits in the Association may not be transferred, assigned, conveyed or otherwise alienated in any manner separately and apart from the ownership of a Lot. Each member of the Association shall at all times comply with the provisions of these Covenants, the Articles of Incorporation, the Bylaws and all rules and regulations which may from time to time be adopted by the Board or the members of the Association.

4.02 Board. THE BOARD OF THE ASSOCIATION SHALL HAVE THE RIGHTS AND DUTIES SET FORTH IN ITS ARTICLES OF INCORPORATION AND THE BYLAWS. DEVELOPER HEREBY RETAINS AND SHALL HAVE THE RIGHT TO APPOINT OR REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OR MEMBERS OF THE BOARD, ANY OFFICER OR OFFICERS OF THE ASSOCIATION AND ANY MEMBERS OF THE ARC UNTIL JANUARY 1, 2025, OR UNTIL SUCH EARLIER DATE AS DEVELOPER ELECTS, IN DEVELOPER'S SOLE AND ABSOLUTE DISCRETION, TO RELINQUISH SUCH RIGHT AND FURTHER TO APPOINT OR DESIGNATE THOSE MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION. EACH OWNER, BY ACCEPTANCE OF A DEED TO OR OTHER CONVEYANCE OF A LOT, VESTS IN DEVELOPER SUCH AUTHORITY TO ADD AND REMOVE

MEMBERS OF THE BOARD AND OFFICERS OF THE ASSOCIATION AND TO DESIGNATE THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION TO BE ELECTED BY THE BOARD OF THE ASSOCIATION AND MEMBERS OF THE ARC UNTIL JANUARY 1, 2025, OR SUCH EARLIER DATE AS DEVELOPER, IN ITS SOLE AND ABSOLUTE DISCRETION, SO ELECTS.

4.03 **Voting Rights.** Subject to the rights reserved to Developer in the Articles of Incorporation and Bylaws (which, among other things, provide that only Developer, until January 1, 2025, or until such earlier date as Developer may elect, in Developer's sole and absolute discretion, shall be exclusively entitled to take various actions and vote on all matters to be voted on by the members of the Association) and the rights of the Association to suspend any Owner's voting rights or privileges in the Association pursuant to Section 11.01 below, the voting rights of all Owners of Lots within the Property shall be as follows: (i) each Owner, including Developer, of a Lot, shall be entitled to (1) vote in any matter submitted to the members of the Association for approval. No Owner of a Lot, whether one or more persons, shall have more than one membership and one vote per Lot. Such voting rights shall continue to apply to each Lot upon the addition of any Additional Property to these Covenants. In no event, whether as a result of there being multiple ownership interests in any Lot or otherwise, shall more than one (1) vote be allowed for any one Lot. Fractional voting shall not be permitted. Each Owner, by acceptance of a deed or other public conveyance to a Lot consents and agrees to the dilution of his or her voting interest in the Association by virtue of the resubdivision of any Lot by Developer pursuant to Section 2.06 above, or the submission of any Additional Property to the terms of these Covenants pursuant to Section 2.02 above. For purposes of this Section 4.03, Developer shall be deemed to be the Owner of and entitled to all voting rights attributable to any Lot owned by Developer.

4.04 **Duties and Powers of Association.** In addition to the rights, duties, responsibilities and obligations of the Association otherwise set forth in these Covenants, the Association shall have the power to perform or cause to be performed any of the duties and powers set forth in the Articles of Incorporation and the Bylaws. The Association may exercise any other right or privilege granted to it expressly by its Board, these Covenants or the Bylaws, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided to the contrary herein, in the Articles of Incorporation or in the Bylaws, the powers and authority granted to the Association may be exercised by the Board, acting through the officers of the Association, without further consent or action on the part of the Owners. Nothing herein shall be construed as a restriction of the rights, duties, responsibilities and obligations of the Association set forth in the Articles of Incorporation or the Bylaws.

4.05 **Agreements.** Subject to the conditions, restrictions and other provisions of these Covenants, all agreements, actions and determinations lawfully authorized by the Board with respect to the Property shall be binding upon all Owners, their heirs, executors, personal representatives, administrators, successors and assigns and all others having any interest in the Property. In performing its responsibilities hereunder, the Association, through the Board, shall have the right and authority to delegate to persons of its choice such duties of the Association hereunder as may be determined by the Board. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of any portion of the Property, whether such personnel are furnished or employed directly by the Association or by independent contract with the Association. During the term of any such management agreement entered into by the Association with a third party, such manager may, if authorized by the Board, exercise all the powers and shall be responsible for the performance of all of the duties of the Association hereunder, excepting any of such powers or duties specifically and exclusively reserved to the Board or the officers of the Association by these Covenants, the Articles of Incorporation or the Bylaws. Such manager may be an individual, corporation or other legal entity and may be bonded in such manner as the Board may require, with the costs of such bond to be a Common Expense. In addition to the foregoing, the Association may pay for and the Board may hire and contract for such legal and accounting services as are necessary or desirable in connection with the operation of the Property, or the enforcement of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association. Any payment made by the Association to any person or entity hired by the Association to manage the Association's affairs or any part thereof, or to perform and ensure the proper maintenance or operation of any portion of the Property, or to provide legal and accounting services to the Association, shall be considered a Common Expense under Section 8.04 hereof.

4.06 **Management by Developer or its Affiliates.** In addition to the rights and authority granted to the Association in Section 4.05, Developer or any affiliate thereof may, but shall not be obligated to, be employed as the manager of the Association and the Property, until January 1, 2025, or until such earlier date as Developer elects, in Developer's sole and absolute discretion, to relinquish such right, at such compensation and on such terms as would be usual, customary and obtainable in an arms-length transaction with any third party providing comparable services for any real estate development in the southeastern United States of the size, quality and nature of the Property. Each Owner, by acceptance of a deed to or other conveyance of a Lot, shall be deemed to ratify the provisions of this Section 4.06 and specifically shall be deemed to have approved any management agreement entered into by the Association and Developer or any affiliate thereof.

4.07 **Rules and Regulations.** The Board may establish and enforce reasonable rules and regulations governing the use of all Lots and Dwellings and Common Areas, including the enforcement of all of the provisions of these Covenants. Each such rule and regulation shall be binding upon all Owners and Occupants until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board or by the majority vote of the total votes of the Association at any regular or special meeting of the Association; provided, however, that no such rule or regulation may be overruled, canceled or modified unless such action is also approved by Developer until January 1, 2025, or such earlier date as Developer elects, in Developer's sole and absolute discretion, to relinquish such right.

4.08 **Indemnification.** The Association shall and does hereby indemnify, defend and agree to hold each and every officer, agent, representative and member of the Board harmless from and against any and all expenses, including court costs and reasonable attorney's fees, suffered, paid or incurred with any action, suit or other proceedings (including the settlement of any suit or proceedings if approved by the Board) to which such person may be made a party by reason of being or having been an officer, agent, representative or member of the Board. The officers, agents, representatives and members of the Board shall not be liable for any mistake in judgment, negligence or otherwise except for their own willful misconduct or reckless disregard of duty, as finally determined by a court of competent jurisdiction. The officers, agents, representatives and members of the Board shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall and does hereby indemnify, defend and agree to forever hold each such officer, agent, representative and member of the Board harmless from any and all liability to others on account of any such contract or commitment. The indemnification, obligations and rights provided for herein shall not be exclusive of any other rights to which any officer, agent, representative or member of the Board may be entitled, including anything provided to the contrary contained in the Articles of Incorporation or the Bylaws. The Association shall (as long as such insurance is available and economically feasible) maintain adequate general liability and officers' and directors' liability insurance in order to fulfill its obligations under this Section 4.08 and the costs of such insurance shall constitute a Common Expense.

ARTICLE V
ARCHITECTURAL REVIEW COMMITTEE, DEVELOPMENT
AND ARCHITECTURAL STANDARDS

5.01 **Committee Composition.** The ARC shall consist of not less than three (3) nor more than seven (7) persons, each of whom shall be appointed or elected as provided in Section 5.02 below. The members of the ARC may, but shall not be required to be, members of the Association or Owners of any Lot. The term of office for each member of the ARC shall be three (3) years (coinciding with the fiscal year of the Association), except as provided in Section 5.02(d) below. Any member appointed or elected as provided in Section 5.02 below may be removed with or without cause in the manner provided in Section 5.02 below. Each Owner, by acceptance of a deed to or other conveyance to a Lot, shall be deemed to ratify the provisions of Section 5.02 below.

5.02 **Appointment and Removal of ARC Members.**

(a) UNTIL JANUARY 1, 2025, OR UNTIL DEVELOPER HAS SOLD ITS LAST LOT OR SUCH EARLIER DATE AS DEVELOPER MAY ELECT, IN DEVELOPER'S SOLE AND ABSOLUTE DISCRETION, DEVELOPER SHALL HAVE THE SOLE AND EXCLUSIVE RIGHT TO APPOINT AND REMOVE ALL OF THE MEMBERS OF THE ARC.

(b) After January 1, 2025, or upon Developer's written notice to the Association that it no longer desires to exercise the right to appoint and remove members of the ARC as provided in Section 5.02(a) above, then the members of the ARC shall be appointed by the Association Board.

(c) Any member of the ARC may be removed, with or without cause, by: (i) Developer, in its sole and absolute discretion, during the period of time that the provisions of Section 5.02(a) above are in effect; or (ii) the Association Board, in the event the provisions of Section 5.02(b) above are in effect. In the event of death, removal or resignation of a member of the ARC, then Developer, in the event the provisions of Section 5.02(a) above are applicable; or the Association Board, in the event the provisions of Section 5.02(b) above are applicable, as the case may be, shall appoint a substitute member of the ARC to fill the vacancy of such deceased, removed or resigning member for the remainder of the term of such former member.

(d) Developer shall appoint the initial ARC for terms ranging from one (1) to three (3) years each, in Developer's sole and absolute discretion. At the expiration of the term of office of each respective member of the initial ARC, Developer, in the event the provisions of Section 5.02(a) above are applicable, or the Association Board, in the event the provisions of Section 5.02(b) above are applicable, shall appoint a successor of such member for a period of three (3) years.

5.03 Procedure and Meetings. The ARC shall elect a chairman and he or she, or in his or her absence, the vice-chairman, shall be the presiding officer at all meetings of the ARC. The ARC will meet as necessary as well as upon call of the chairman or vice-chairman, and all such meetings shall be held at such places as may be designated by the chairman or vice-chairman. A majority of the total number of members of the ARC shall constitute a quorum of the ARC for the transaction of business and the affirmative vote of a majority of those present in person or by proxy at a meeting of the ARC shall constitute the action of the ARC on any matter which comes before it. The ARC is authorized to establish, change from time to time, and charge to Owners the Plan Review Fee, and to retain the services of consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys in order to advise and assist the ARC in performing its functions set forth herein. Each member of the ARC may be paid a stipend or honorarium as may from time to time be determined by Developer, in the event the provisions of Section 5.02(a) above are applicable, or the Association Board, in the event the provisions of Section 5.02(b) above are applicable, and shall otherwise be entitled to a reimbursement of expenses incurred on behalf of the ARC, subject to the approval of such expenses by Developer, in the event the provisions of Section 5.02(a) above are applicable, or the Association Board, in the event the provisions of Section 5.02(b) above are applicable. The ARC shall have the right from time to time to adopt and establish such rules and regulations as may be determined to be necessary concerning the procedure, notice of meetings and all other matters concerning the conduct of the business of the ARC.

5.04 Architectural Standards. The ARC is hereby authorized to promulgate and amend or modify from time to time written Architectural Standards governing policies, guidelines and minimum requirements to be satisfied with respect to the following; (i) site preparation, construction, location, landscaping and design of all Dwellings and other Improvements on any Lot or Common Areas of the Association, as well as additions, repairs, renovations or changes that may from time to time be made to such Dwellings, Improvements or Common Areas; (ii) the content and manner in which plans and specifications and other documentation and information concerning the construction of any Dwelling or other Improvements on a Lot or Common Areas are to be submitted to and approved by the ARC; and (iii) any other matters affecting the construction, repair or maintenance of any Dwelling or other Improvements on any Lot or Common Areas. The Architectural Standards adopted by the ARC shall be in addition to the provisions and requirements set forth in these Covenants and shall be binding upon and enforceable against all Owners.

5.05 Approval of Plans and Specifications.

(a) IN ORDER TO PRESERVE THE ARCHITECTURAL AND AESTHETIC APPEARANCE AND THE NATURAL SETTING AND BEAUTY OF THE PROPERTY, TO ESTABLISH AND PRESERVE A HARMONIOUS DESIGN FOR THE PROPERTY AND TO PROTECT AND PROMOTE THE VALUE OF THE PROPERTY, THE LOTS, THE DWELLINGS AND ALL IMPROVEMENTS THEREON, NO IMPROVEMENTS OF ANY NATURE SHALL BE COMMENCED, ERECTED, INSTALLED, PLACED, MOVED ONTO, ALTERED, REPLACED, RELOCATED, PERMITTED TO

REMAIN ON OR MAINTAINED ON ANY LOT OR DWELLING OR COMMON AREA BY ANY OWNER, OTHER THAN DEVELOPER, WHICH AFFECT THE EXTERIOR APPEARANCE OF ANY LOT OR DWELLING OR COMMON AREA UNLESS PLANS AND SPECIFICATIONS THEREFOR HAVE BEEN SUBMITTED TO AND APPROVED BY THE ARC IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF SECTION 5.05(b) BELOW. WITHOUT LIMITING THE FOREGOING, THE CONSTRUCTION AND INSTALLATION OF ANY DWELLINGS, BUILDINGS, SHEDS, BARNs, FOUNDATIONS, COVERED PATIOS, HELIPADS, UNDERGROUND UTILITIES, SEPTIC TANKS, ROADS, SIDEWALKS, WALKWAYS, DRIVEWAYS, PARKING LOTS, PAVING, CURBING, PARKING AREAS, TREES, SHRUBBERY, LANDSCAPING, MAILBOXES, DECKs, PATIOS, COURTYARDS, SWIMMING POOLS, TENNIS COURTS, GREENHOUSES, PLAYHOUSES, AWNINGS, WALLS, FENCES, EXTERIOR LIGHTS, IRRIGATION, SCREENING, WALLS, SIGNS, SATELLITE DISHES, RADIO OR TELEVISION ANTENNAS, GAZEBOS, STATUES, MONUMENTS, FOUNTAINS, LAWN SCULPTURES, LAWN FURNISHINGS, ROCK GARDENS, ROCK WALLS, GARAGES, BOAT DOCKS, BATHOUSES, BULKHEADS, PIERS SEAWALLS OR ANY OTHER OUTBUILDINGS, STRUCTURES OR LANDSCAPING, AND ANY OTHER ARTIFICIAL OR MAN-MADE CHANGES OR ALTERATIONS TO THE NATURAL CONDITION OF ANY LOT OR DWELLING OR COMMON AREA, SHALL NOT BE UNDERTAKEN, NOR SHALL ANY EXTERIOR ADDITION TO OR CHANGE OR ALTERATION BE MADE (INCLUDING, WITHOUT LIMITATION, ANY PAINTING OR STAINING OF ANY EXTERIOR SURFACE, AND ANY GRADING OR EXCAVATION OR FILL, THE VOLUME OF WHICH EXCEEDS EIGHT (8) CUBIC YARDS AND ANY PERMANENT SOIL EROSION CONTROLS, PANELS, LAKES OR DRAINAGE CHANNELS) TO ANY LOT OR DWELLING OR COMMON AREA UNLESS THE PLANS AND SPECIFICATIONS FOR THE SAME HAVE BEEN SUBMITTED TO AND APPROVED BY THE ARC IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF SECTION 5.05(b)BELOW.

(b) The ARC is hereby authorized and empowered to approve all plans and specifications and the construction of all Dwellings and other Improvements on any part of the Property including Common Areas. Prior to the commencement of any Dwelling or other Improvements on any Lot, Dwelling or Common Area, the Owner thereof (including the Association for Common Areas) shall submit an application to the ARC requesting the ARC to review plans and specifications and related data for all such Improvements, as more particularly provided in the Architectural Standards, along with full payment to the ARC of the Plan Review Fee. The plans and specifications and related data for all such Improvements shall include two (2) copies of each of the following:

- (i) House plans at a scale of 1/4" = 1'-0" or larger, to include the following:
 - 1. Exterior elevations of all Improvements.
 - 2. Note all finish floor elevations.
 - 3. Note all exterior materials.
 - 4. Foundation plan.
 - 5. Floor plans for each floor of the Dwelling to be constructed.
 - 6. Note square feet of Living Space per floor and total.
 - 7. Such other plans, specifications, related data, or other information or documentation for the Dwelling or Improvement as the ARC may require in the ARC's sole and absolute discretion.

- (ii) Color samples and specifications, to include color samples of all exterior materials and finishes.
- (iii) Site development plan by a licensed surveyor at a scale of 1" = 20' indicating the following:
 1. Lot lines, building setbacks, utility easements and adjacent street(s).
 2. Location of all trees 6" in diameter and larger located within the Construction Area, and note which of those existing trees are to be cleared.
 3. Location of septic tank and waste disposal field.
 4. Erosion control.
 5. Footprint and finish floor elevation of Dwelling to be constructed.
 6. Location and size of driveways, decks, terraces, patios, barns, tennis courts, swimming pools, outbuildings, boat docks, boathouses, piers, retaining walls, mechanical units, utility meters and drainage pipes.
 7. Proposed layout of underground utility lines from the street to the Dwelling to be constructed.
 8. 15' building setback line along the Side Lot lines shown.
 9. 30' building setback line along the Lakeside Lot lines shown.
 10. Such other plans, specifications, related data, or other information or documentation for the site development plan of the Dwelling or Improvement as the ARC may require in the ARC's sole and absolute discretion.
- (iv) An exterior lighting plan, including specifications for any exterior lighting to be utilized with respect to such Lot or Dwelling, including, but not limited to, any exterior lighting for tennis courts and/or swimming pools.
- (v) A landscaping plan prepared and submitted in accordance with the provisions of Section 5.06 below.
- (vi) Completed "Plan Review Form" (if any) provided by the Developer or Association.
- (vii) Such other plans, specifications, related data, or other information or documentation as the ARC may require in the ARC's sole and absolute discretion.

No Owner of a Lot on the Property shall be permitted to commence the construction of any Dwelling on such Owner's Lot until such Owner has (i) obtained written approval from the Health Department of Tallapoosa County, Alabama for such Owner's site development plan and the location of the septic tank and the waste disposal field on such Owner's Lot and (ii) submitted a copy of such written approval to the ARC. Such written approval and a copy of the same also shall be required before any Owner of a Lot on the Property shall be permitted to commence any alteration, improvement, modification, rebuilding, relocation or repair of any Dwelling or Improvement on such Owner's Lot.

(c) The ARC shall, in its sole and absolute discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. One copy of all plans, specifications and related data so submitted to the ARC shall be retained in the records of the ARC and the other copy shall be returned to the

Owner submitting the same marked “approved”, “approved as noted” or “disapproved”. The ARC may establish and change from time to time, the Plan Review Fee to be charged to and paid by each Owner (except the Association) who submits plans and specifications to the ARC for approval, the purpose of which fee shall be to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained in order to approve such plans and specifications and to monitor and otherwise enforce the terms hereof. Notwithstanding anything provided herein to the contrary, an Owner may make interior improvements and alterations within his Dwelling that do not affect exterior appearance and without the necessity or requirement that ARC approval or consent be obtained. The initial Plan Review Fee shall be Two Hundred Fifty and 00/100 Dollars (\$250.00) per house plan review and Developer, in Developer’s sole and absolute discretion, may require said fee to be paid to the Association (for later payment to the ARC) at closing.

(d) The ARC shall have the right to disapprove any plans and specifications upon any ground which is consistent with the objectives and purposes of these Covenants, including purely aesthetic considerations, any failure to comply with any of the provisions of these Covenants or the Architectural Standards, failure to provide requested information, objection to exterior design, appearance or materials, objection on the grounds of incompatibility of any such proposed Dwelling or other Improvement with the scheme of development proposed for the Property, objection to the location of any proposed Dwelling or other Improvements on any such Lot, objection to the landscaping plan for such Lot or Common Area, objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvement or any other matter which, in the sole judgment of the ARC, would render the proposed Dwelling or other Improvement inharmonious with the general plan of development contemplated for the Property. The ARC shall have the right to approve any submitted plans and specifications with conditions or stipulations with which the Owner of such Lot or Common Area shall be obligated to comply and which must be incorporated into the plans and specifications for such Owner’s Dwelling or other Improvement. Approval of plans and specifications by the ARC for a Dwelling or other Improvements to one particular Lot or Common Area shall not be deemed an approval or otherwise obligate the ARC to approve similar plans and specifications or any of the features or elements for the Dwelling or other Improvements for any other Lot within the Property.

(e) In the event the ARC fails to “approve”, or “approved as noted”, in writing any such proposed plans and specifications within thirty (30) days after such plans and specifications have been fully submitted, then the plans and specifications so submitted will be deemed to have been disapproved.

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

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

5.06 Landscaping Approval. In order to preserve, to the extent practicable, the natural landscaping and plant life currently situated on the Property and in order to enhance the aesthetic appearance of the Property, no landscaping (including, but not limited to, the planting or removal of trees, lawns or shrubbery), grading, excavation or fill work of any nature shall be implemented or installed by any Owner, other than Developer, on any Lot unless and until landscaping plans therefor have been submitted to and approved by the ARC. The provisions of Section 5.05 above regarding the method that such plans are to be submitted to the ARC, the time for approval or disapproval of the same and the method of approving modifications or changes thereto shall be applicable to such landscaping plans. Any proposed landscaping within the Control Easement Area shall be subject to the requirements of Section 3.06(c) of these Covenants.

5.07 Construction without Approval. If (a) any Improvements are initiated, installed, maintained, altered, replaced or relocated on any Lot without ARC approval of the plans and specifications for the same, or (b) the ARC shall determine that any approved plans and specifications for any Improvements or the approved landscaping plans for any Lot are not being complied with, then, in either event, the Owner of such Lot shall be

deemed to have violated these Covenants and the ARC shall have the right to exercise any of the rights and remedies set forth in Section 5.12 below.

5.08 **Inspection.** The ARC or any agent, employee or representative thereof may at any reasonable time and from time to time enter upon and inspect any Lot or Common Area or any Improvements being constructed thereon in order to determine whether the approved plans and specifications therefor are being complied with. Any such entry shall not be deemed to be a trespass or any other wrongful act by the ARC.

5.09 **Subsurface Conditions.**

(a) Approval of the submitted plans and specifications by the ARC as herein provided for a Lot or Dwelling shall not be construed in any respect as a representation or warranty of the suitability or adequacy of the soil or subsurface conditions of a Lot by the ARC and/or the Developer and/or the Association to the Owner thereof submitting such plans and specifications, or to any Occupant of such Lot or Dwelling. It shall be the sole responsibility of the Owner to determine the suitability and adequacy of the surface and subsurface conditions of the Lot for the construction of any and all Dwellings or other Improvements thereon and the use and occupancy of the same.

(b) Neither the ARC and its individual members, nor Developer or Association, nor the agents, employees, officers and directors of Developer of Association, nor the agents, employees, officers and directors of their affiliates, shall be liable to any Owner or Occupant, or the heirs, executors, administrators, personal representatives, successors, assigns, licensees, lessees, employees and agents of any Owner or Occupant, for loss or damage on account of injuries to any Lot on the Property, to any buildings, Improvements, Dwellings or other structures now or hereafter located upon any Lot on the Property, or on account of any past or future injuries to any Owner, Occupant, or any other person or entity in or upon any Lot on the Property, which are caused by, or arise as a result of soil and/or subsurface conditions, known or unknown (including, without limitation, underground mines, tunnels, sinkholes or other geological formations or conditions) under or on the Property.

5.10 **Limitation of Liability.** Notwithstanding anything provided herein to the contrary, neither Developer, the ARC, the Association, nor any agent, employee, representative, officer or director thereof, or any agent, employee, representative, officer or director of any of their affiliates, shall have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner, Occupant or any other person or entity whatsoever on account of: (a) any defects in any plans and specifications submitted, reviewed or approved in accordance with the provisions of this Article V; (b) any defects, structural or otherwise, in any work done according to such plans and specifications; (c) the failure of any plans, specifications or construction to comply with the applicable federal, state or local laws and regulations including building codes and environmental requirements; (d) the failure to approve or the disapproval of any plans, drawings, specifications or other data submitted by any Owner for approval pursuant to the provisions of this Article V; (e) the construction or performance of any work related to such plans, drawings and specifications; (f) bodily injuries (including death) to any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees, lessees or licensees of any such Owner or Occupant, or any damage to any Dwellings, Improvements or the personal property of any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees, lessees or licensees of such Owner or Occupant, which may be caused by, or arise as a result of any defect, structural or otherwise, in any Dwellings or Improvements or the plans and specifications therefor; and (g) any other loss, claim, damage, liability or expense, including court costs and attorneys' fees, suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Lot or Dwelling or any Improvements situated thereon. Any review and approval of plans for a Dwelling or Improvements on the Property, or any review and approval of construction or maintenance of a Dwelling or Improvements on the Property, or any inspection of a Dwelling or Improvements on the Property, whether by the Developer, the ARC, the Association, or any agent, employee, representative, officer or director thereof, shall be limited to exterior appearance only and shall not benefit or be relied upon by any Owner or Occupant, or the respective family members, guests, employees, servants, agents, invitees, lessees or licensees of such Owner or Occupant, or any other third party or entity, as assurance, warranty or representation of any kind, express or implied, that the plans and specifications of such Owner, or the actual construction or maintenance of the Dwelling or Improvements on the Property are safe, proper or adequate for the purposes intended, or are free from defect or danger or risk to persons or property, or that the Dwelling or

Improvements are or will be structurally sound, or comply or will comply with any building or zoning codes or ordinances.

5.11 **Sales and Construction Activities.** Notwithstanding any provisions or restrictions contained in these Covenants to the contrary, Developer, its agents, employees, successors and assigns, shall have the right and option to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots or the development of Lots, Dwellings, Common Areas and any Additional Property, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, all as may be approved by Developer from time to time; provided, however, that the location of any construction trailers of any assignees of Developer's rights under this Section 5.11 shall be subject to Developer's approval. The right to maintain and carry on such facilities and activities shall include, without limitation, the right to use model Dwellings as offices for the sale of Lots and for any related activities.

5.12 **Enforcement and Remedies.** In the event any of the provisions of this Article V are breached or are not otherwise being complied with in all respects by any Owner or Occupant or their respective family members, guests, invitees, lessees, licensees, agents, servants, employees or contractors, then the ARC and the Association shall each have the right, but not the obligation, at their option to (a) enjoin any further construction on any Lot and require the removal or correction of any work in place which does not comply with the plans and specifications approved by the ARC for such Improvements, or for which required plans and specifications were not submitted to and approved by the ARC; and/or (b) through their designated agents, employees, representatives and independent contractors, enter upon such Lot and take all action necessary to extinguish such violation or breach and to minimize or remediate erosion caused by such violation or breach including, but not limited to, delays in construction or inadequate erosion control procedures. All costs and expenses incurred by the ARC or the Association in enforcing any of the provisions of this Article V, including, without limitation, attorneys' fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of nonconforming work, unapproved work, the completion of uncompleted work or in any judicial proceeding, together with any other costs or expenses incurred by the ARC or the Association in causing compliance with the terms and provisions of this Article V, shall be paid by such Owner, shall constitute an individual Assessment to such Owner pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the ARC and the Association set forth herein shall not be deemed exclusive of any other rights and remedies which the ARC or the Association may exercise at law or in equity or any of the enforcement rights specified in any Section of these Covenants, along with the provision for legal expenses in 12.02 below.

5.13 **Compliance Certification.** The ARC or any authorized representative thereof shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to an Owner a certificate in writing setting forth whether all necessary ARC approvals have been obtained and whether any Dwelling or Improvement has been constructed in accordance with the provisions of these Covenants. Any such certificate of approval and compliance for one particular Dwelling or Improvement shall not be deemed an approval or otherwise obligate the ARC to provide a certificate of approval and compliance for any other Dwelling or Improvement on a Lot which was constructed, altered, improved or repaired using similar plans and specifications, nor shall any such certificate of approval and compliance be construed in any respect as a representation or warranty of the ARC and/or Developer and/or the Association that all applicable rules, regulations and requirements of all Governmental Authorities with respect to any such Lot or Dwelling have been fulfilled.

5.14 **Construction Activity.** Upon the approval by the ARC of plans and specifications for any Dwelling or Improvement on any Lot, construction may be commenced upon such Lot, pursuant to such approved plans and specifications. Any such construction must be commenced within one (1) year of approval by the ARC of the plans and specifications for such Dwelling or Improvement and must be continuously pursued to completion within one (1) year of commencement of construction, such completion to be evidenced by a certificate of Occupancy issued by the appropriate Governmental Authorities or a Certificate of Conformity to be issued by the ARC.

5.15 **Variances.** The ARC, in its sole and absolute discretion, shall have the exclusive right to grant variances and exceptions with respect to this Article V and Article VI below with respect to any Lot or Dwelling.

Any grant of a variance or exception with respect to any particular Lot or Dwelling shall not obligate the ARC to grant any future variance or exception with respect to any other Lot or Dwelling. Any request for a variance or exception submitted to the ARC shall be in writing and, upon approval of the same by the ARC, shall be evidenced by a written document executed by either the chairman or any other appropriate officer of the ARC. The provisions of Section 5.03 above concerning meetings, a quorum of members and the number of votes necessary to approve action taken by the ARC shall be binding upon the ARC in any matter regarding the granting of variances.

ARTICLE VI

USE AND DEVELOPMENT RESTRICTIONS

6.01 **Use Restrictions.** Except as otherwise provided to the contrary in Section 5.11 above, each Lot and Dwelling shall be used for single-family residential purposes only and, except as otherwise provided in this Section 6.01, no trade or business of any kind may be carried on, in or from any Lot or Dwelling. Only one (1) main single-family, residential dwelling, with customary accessory structures and other outbuildings approved by the ARC, pursuant to Sections 5.05 above and 6.02 below, shall be allowed on any Lot. Detached habitable structures with sleeping or living quarters including, but not limited to any guest house, servants' quarters or garage apartment will not be allowed on the Property. The use of any portion of a Dwelling as an office by an Owner and no more than two (2) additional employees shall not be considered a violation of this covenant provided such use does not create regular customer, client or employee traffic, and further provided any such use is in compliance with all applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof. The leasing or rental of a Dwelling for residential purposes only shall not be considered a violation of this covenant so long as the lease: (a) is for not less than the entire Dwelling; (b) is for a term of not less than one (1) year, unless a shorter term is approved by the ARC; and (c) is otherwise in compliance with the rules and regulations promulgated and published from time to time by the Association; provided, however, that Developer shall have the perpetual right to designate from time to time any Dwellings owned by Developer, its successors and assigns, that may be leased. Notwithstanding anything provided in this Section 6.01 to the contrary, the Property or any portion thereof, including, specifically, any Lot or Dwelling on the Property, may be used and developed for (i) any of the uses included in the definition of Common Areas and (ii) any uses permitted under applicable zoning ordinances affecting the Property; provided, however, that in the event any portion of the Property is to be developed or used for any purpose other than for Common Areas or single-family residential purposes, then such use must be approved in writing by the ARC.

6.02 **ARC Approval; Company Permission.** No Dwellings or other Improvements, including Improvements to the Common Areas, of any nature whatsoever shall be constructed on any Lot unless such Dwelling or other Improvements have been approved by the ARC in the manner set forth in Article V above. In addition, no Improvements of any kind or nature, or any portion thereof, shall be constructed within the Control Easement Area without the express written permission of the Company pursuant to Section 3.06(c) of these Covenants. In no event shall any Dwelling, or any portion thereof, be constructed in the Control Easement Area.

6.03 **Underground Utilities; Irrigation Systems.** All utility lines, pipes, conduits and wiring for electrical, gas, telephone, water, cable television, security and any other utility service for any Lot, Dwelling, Common Area or any other portion of the Property shall be installed and maintained below ground. All irrigation systems for Lots must be approved by the ARC in the manner set forth in Article V above. No gasoline powered irrigation pumps will be allowed.

6.04 **Building Setbacks.** Subject to the provisions of Section 6.05 below, minimum building setback lines for all Dwellings, all in accordance with applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof, shall be established either: (i) by the ARC; (ii) on the Plat, or amendments thereof, in which such Lot is included; or (iii) in the deed from Developer to the Owner of such Lot. No Dwellings shall be built within the setback areas established in this Section 6.04. All eaves, steps, porches, terraces, decks, walks and patios shall be deemed a part of the Dwelling for the purposes of determining building setback areas pursuant to this Section 6.04.

6.05 **Siting of Dwellings.** Prior to commencing any construction-related activities on any Lot (including any grading or clearing), the location of any Dwelling to be constructed thereon shall be set forth on the

site development plan for such Lot which must be approved by the ARC pursuant to the provisions of Section 5.05 above. Notwithstanding anything provided in Section 6.04 above to the contrary, the ARC may require building setback requirements different from those described in Section 6.04, including building setbacks which are greater than those specified in Sections 5.05 and 6.04 above. Until otherwise changed by the ARC, no Owner may construct a Dwelling within the fifteen foot (15') building setback area inside of and adjacent to the Side boundary line of each Lot and the thirty foot (30') building setback area inside of and adjacent to the Lakeside boundary line of each Lot.

6.06 **Trees.** No Owner, other than Developer, shall cut, remove or mutilate any tree, shrub, bush or other vegetation having a trunk diameter of six (6) inches or more, and located on any Lot prior to any construction or clearing activity on such Lot, without first obtaining the approval of the ARC to the plans and specifications discussed in Section 5.05 and the landscaping plans discussed in Section 5.06 above; provided, however, that the foregoing shall not be deemed to prohibit the cutting and removal of any dead or diseased trees nor shall the foregoing be deemed to release any Owner from the provisions of Sections 6.10 and 7.01 below.

6.07 **Height Limitations.** The height of all Dwellings shall be compatible with all other Dwellings adjacent to such Lot or Dwelling. No Dwelling shall exceed two and one-half floors (2 ½) in height, excluding Basements, without ARC approval. The height of each Dwelling will be measured from the finished grade of the Lot on the Roadside of the Dwelling.

6.08 **Minimum Living Space.** Minimum Living Space requirements for the main structure of any Dwelling shall be twenty-five hundred (2,500) gross square feet of enclosed dwelling space, finished for year-round dwelling purposes and heated and cooled by heating, ventilating and air conditioning equipment. All Dwellings must have a minimum of fifteen hundred (1,500) gross square feet on the main level of the Dwelling. The term "enclosed dwelling space" as used in these minimum size requirements shall mean the total enclosed area within a Dwelling; provided, however, that such term does not include garages, carports, boathouses, bulk storage areas, greenhouses, atria, terraces, balconies, decks, open or screened porches, patios and like spaces; and provided, further expanded lean-to or dormer attic space, even though attached to the house, are specifically excluded from the definition of the aforesaid term "enclosed dwelling space," regardless of whether the roof of such space forms an integral part of the roof line of the Dwelling or whether such space is located on the ground floor of the Dwelling.

6.09 **Maximum Living Space.** Maximum Living Space requirements for the main structure of any Dwelling shall be determined by the ARC, in its sole and absolute discretion, based on whether the aesthetic values of the Property will be preserved and whether the size of a particular Lot will support the septic system of a proposed Dwelling.

6.10 **Landscaping.**

(a) The landscaping plan for each Lot or Dwelling within the Property shall be submitted to the ARC for approval pursuant to the provisions of Section 5.06 above. Each Owner shall, to the extent practicable, attempt to incorporate into the landscaping plan for his or her Dwelling the natural plant life existing on such Lot and shall otherwise take such steps which would, to the extent practicable, preserve the existing trees, plant life, wild flowers and natural environment, including natural drainage channels, which exist on such Lot.

(b) All Roadside and Side yards of each Lot shall be sodded with grass to the extent the same are not approved as or required by the ARC to remain a natural area or area to be landscaped with shrubbery, ground cover and/or other approved plant life.

(c) All landscaping for a Lot shall be completed in accordance with the landscaping plan approved by the ARC no later than forty-five (45) days following the issuance of a Certificate of Occupancy for the Dwelling situated thereon.

(d) No hedge or shrubbery planting which obstructs sightlines of any private road or County Road shall be placed or permitted to remain on any Lot or Dwelling. The determination of whether any such obstruction

exists shall be made by the ARC and/or any applicable Governmental Authority, whose determination shall be final, conclusive and binding on all Owners.

(e) No Owner shall allow the lawn grass on his or her Lot or Dwelling to grow to any height so as to become unsightly or unkempt, as determined by the ARC.

(f) Seasonal or holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be promptly removed from each Lot or Dwelling as soon as such holiday passes.

(g) The ARC may from time to time promulgate rules and regulations adopting an approved list of plant life which may be utilized on any Lot or Dwelling, which rules and regulations may prescribe that a minimum dollar amount be established and utilized as the landscaping budget for each Lot or Dwelling.

6.11 **Roofing.**

(a) The ARC shall have the right to establish specific requirements for the pitch of any roof and the type of roofing materials which may be utilized for any Dwelling.

(b) Projections of any type shall not be placed or permitted to remain above the roof of any Dwelling without ARC approval which approval may be conditioned on the color, placement, size and type of any such projections.

6.12 **Exterior Lighting.** All exterior lighting for Dwellings, including, without limitation, free standing lighting and utility (e.g., flood) lights attached to a Dwelling and lights for tennis courts and swimming pools, must be approved by the ARC. Unless approved by the ARC, no exterior lighting plan shall generate at any Lot line light levels greater than the light of a full moon on a clear night.

6.13 **Exterior Materials and Finishes.**

(a) Approved exterior building material finishes for any Dwelling shall include brick, stone, stucco, solid wood siding (e.g., cedar, pine or other solid wood), and such other materials as may be approved by the ARC. All wood surfaces utilized on the exterior of any Dwelling shall be sealed, painted or stained. Prohibited exterior finish materials shall include particle board, plywood, metal, vinyl siding and any other materials as the ARC may from time to time determine. Vinyl products may be used other than as siding for a Dwelling; provided, however, that the use of vinyl products for cornices, windows and other exterior trim must be reviewed and approved by the ARC pursuant to the provisions of Section 5.05 above.

(b) All brick, stonework and mortar, as to type, size, color and application, must be approved by the ARC. All exterior colors, including, without limitation, the color of all roof shingles, brick, stone, stucco, wood, trim, cornices, eaves, railings, doors and shutters shall be subject to ARC approval.

(c) No concrete, concrete block or cinder block shall be used as an exposed building surface; any concrete, concrete block or cinder block utilized in the construction of a Dwelling or for retaining walls and foundations shall be finished in the same materials utilized for the remainder of the Dwelling (e.g., brick, stone, stucco, etc.), unless otherwise approved by the ARC.

(d) All metal flashing, valleys, vents and gutters other than copper installed on a Dwelling shall be painted to blend with the color of the exterior materials to which it is adhered or installed.

6.14 **Chimneys.** The exterior of all chimneys shall be subject to ARC approval. If a fireplace utilizes a metal spark arrestor or other metal venting apparatus at the top of the chimney, then a painted metal cowl or other surrounding shall be installed atop the chimney. All metal or other materials other than copper placed on top of or around a chimney shall be painted to blend with the roofing material used for such Dwelling.

6.15 **Garages.** Any garage door that is visible from any private road or a County Road shall be kept closed at all times except when in use. Garage doors shall be constructed of such materials as are approved by the ARC. No garage shall be converted to any use other than for the parking of vehicles therein without the approval of the ARC. The ARC may from time to time promulgate rules and regulations governing the exterior appearance, design, dimensions, placement and materials to be used for the construction, alteration, improvement, modification, rebuilding, relocation or repair of any garage on any Lot on the Property, and any such construction, alteration, improvement, modification, rebuilding, relocation or repair must be reviewed and approved by the ARC pursuant to the provisions of Section 5.05 above.

6.16 **Fences.** Fences shall be used only for screening unsightly areas such as storage receptacles, garbage cans, air conditioners and the like. Such fences shall not exceed three feet (3') in height and shall be built of materials harmonious with those used in construction of the Dwelling on the Lot where the fence is to be placed, but such fences cannot be solid. No metallic, chain link, vinyl-coated or wire fences shall be permitted within the Property, unless approved by the ARC, except with regard to maintenance areas within the Common Areas and those fences erected by Developer or Association. The design, color, material type and location of any fencing on any Lot must be reviewed and approved by the ARC pursuant to the provisions of Section 5.06 above. The ARC may from time to time promulgate rules and regulations governing the exterior appearance, design, dimensions, placement and materials to be used for the construction, alteration, improvement, modification, rebuilding, relocation or repair of any fence on any Lot on the Property, and any such construction, alteration, improvement, modification, rebuilding, relocation or repair must be reviewed and approved by the ARC pursuant to the provisions of Section 5.05 above.

6.17 **Windows, Window Treatments and Doors.**

(a) Reflective glass shall not be permitted on the exterior of any Dwelling. No after-market window tinting or glass coating shall be installed on any exterior windows of any Dwelling. No foil or other reflective materials shall be installed on any exterior windows or used for sunscreens, blinds, shades or other purposes on any Dwelling.

(b) Cantilevered bay windows are subject to the prior written approval of the ARC (which may require additional landscaping in front of such bay windows). Burglar bars or wrought iron doors shall not be permitted. No storm door or screen door shall be utilized or installed on any Dwelling without the ARC's prior written approval. No windows shall be utilized or installed on any Dwelling without the prior written approval of the ARC. The ARC may from time to time promulgate rules and regulations governing the exterior appearance, design, dimensions, placement and materials to be used for the construction, alteration, improvement, modification, rebuilding, relocation or repair of any windows for any Dwelling on any Lot on the Property, and any such construction, alteration, improvement, modification, rebuilding, relocation or repair must be reviewed and approved by the ARC pursuant to the provisions of Section 5.05 above.

(c) Appropriate window treatments shall be used on all windows. Sheets, bed linens, blankets and paper or plastic bags are not appropriate window treatments.

6.18 **Mailboxes.** All mailboxes must be uniform in design and placement as determined by the ARC. Each Owner shall be responsible for the purchase and maintenance of such Owner's mailbox.

6.19 **Utility Meters and HVAC Equipment.** No electrical, gas, telephone and cable television meters or related facilities shall be located at the Roadside of any Dwelling. All exterior heating, ventilating and air conditioning compressor units and equipment shall be located, to the extent practicable, at the Side or Lakeside of a Dwelling. No window-mounted heating or air conditioning units or window fans shall be permitted.

6.20 **Satellite Dishes and Antennae.** Satellite dishes, radio or television antennae, radio receivers or similar devices on any Lot or Dwelling shall be subject to ARC approval and the ARC may require, as a condition to such approval, that all such devices be screened from public view. Sketch plans and specifications including siting, color and size must be approved by the ARC prior to beginning installation. Satellite dishes will be constructed of a color and material which is aesthetically pleasing and blends with the immediate environment. The removal of trees in order to receive signals from satellite dishes, radio or television antennae, radio receivers or similar devices shall be governed by Section 6.06 of these Covenants. No radio or television signals or any other form of electromagnetic

radiation or transmission shall be permitted to originate from any Lot or Dwelling which may interfere with the reception of radio or television signals on the Property; provided, however, that Developer shall not be prohibited from installing and operating any equipment necessary for antenna, cable television, mobile radio or similar systems on the Property.

6.21 **Seawalls.** Owners may erect seawalls on an Owner's Lot and within the Control Easement Area only after the Owner obtains: (i) the approval of the ARC; and (ii) the express written permission of the Company pursuant to Section 3.06(c) of these Covenants. Sketch plans and specifications for any seawall, including the exterior appearance, design, dimensions, placement and materials, must be submitted to, reviewed by and approved by both the Company and the ARC prior to installation of any seawall. Rock mortared walls, poured in place concrete with a pattern or rip-rap walls are preferred. Block walls must be faced with rock or stucco sufficient to hide all mortar joints, unless the blocks being used are manufactured block walls with patterned faces.

6.22 **Water System.** The Developer has installed a public water supply system on the Property, which water supply system is an extension of the general water supply system of the Walnut Hill Water Authority, its successors and assigns. The public water supply system consists of water mains of the Walnut Hill Water Authority which run along the private roads and County Roads and are adjacent to all Lots on the Property. It shall be the obligation of the Owner of a Lot in the Property to use the public water supply system as the only source of potable water to the Owner's Dwelling. If the Owner of any Lot on the Property wishes to use the public water system, it shall be the Owner's obligation to install and maintain, at the Owner's sole cost and expense, an individual service line which connects to one of the aforementioned water mains and all charges for the use of water by the Owner shall be paid by Owner to the Walnut Hill Water Authority, its successors or assigns. The installation and maintenance of individual service lines on the Property for the use of such water shall be subject to the applicable rules of the Walnut Hill Water Authority and the laws, statutes, codes, regulations, rules and/or ordinances of any Governmental Authority having jurisdiction thereof.

6.23 **Utility Easements.** The Developer does hereby establish and reserve for itself and the Association, and their successors and assigns, and all publicly and privately owned utility service providers, a permanent and perpetual, alienable, and releasable easement right over, across, through, under and upon the area which is twenty feet (20') inside of and adjacent to the Roadside boundary line of each Lot, the area which is ten feet (10') inside of and adjacent to the Side boundary line of each Lot, and such other areas as are shown on the Plat to erect, install, replace, relocate, maintain, operate and use any and all television and/or cable systems, electric power transmission lines, gas transmission lines, telephone lines, potable water lines, sewer lines, storm drains and sewers, drainage channels or systems, retention ponds, lakes, basins and facilities, lines, pipes, conduits, equipment, machinery and other structures, works, facilities, apparatus and appurtenances necessary or otherwise reasonably required in order to provide any utility service and to and use any portion of the Property; provided, further, that the Developer may cut drainways for surface waters wherever or whenever such action may appear to be necessary or otherwise reasonable in order to maintain reasonable standards of health, safety and appearance. These easement rights expressly include the right to cut any trees, bushes or shrubberies, make any gradings of the site, or to take any other similar actions reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, appearance and safety. The establishment of these easements is in no way to imply that all utilities will be installed by the Developer. Neither the Developer nor the Association shall be liable to any Owner, Occupant, their heirs, successors or assigns, or any other person or entity whatsoever, for any damage so caused by its reservation or exercise of this easement.

6.24 **Septic Tanks.** The location of all septic tanks and appurtenances must be approved by the ARC prior to installation. The septic tanks and accompanying facilities are to be installed and maintained according to the rules and regulations of the State of Alabama Public Health Department and the Health Department of Tallapoosa County, Alabama. Once the ARC grants approval of the preliminary site development plan for an Owner's Lot, and prior to the initiation of construction of any Dwelling on such Owner's Lot, the Owner or his representative must meet with the Health Department of Tallapoosa County, Alabama to obtain approval of the preliminary site development plan and the location of the septic tank and the waste disposal field lines. Prior to said initiation of construction of a Dwelling on an Owner's Lot, the Owner shall dig a sample drainfield line opening in the proposed location to determine the adequacy of the subsoil for such construction. All waste disposal field lines for a septic system shall be set back a minimum of fifty feet (50') away from the High Water Mark of the Lake.

6.25 Boat Docks and Piers. Boat docks and piers may be constructed on an Owner's Lot and within the Control Easement Area only after the Owner: (i) submits sketch plans and specifications, including exterior appearance, design, dimensions, materials to be used and siting, to the ARC; (ii) obtains the approval of the ARC for said plans and specifications; and (iii) obtains the express written permission of the Company pursuant to Section 3.06(c) of these Covenants. Boat docks, boat houses and piers must comply with the following terms and conditions:

(a) No boat dock may be erected on a site which will interfere with the adjoining Owner's access.

(b) Stationary piers may not exceed fifty feet (50') in length. The tallest projection of any boat dock shall not exceed six feet (6") above the High Water Mark. No pier and dock shall exceed (in length) over 1/3 the width of the body of water upon which it is located. Location and size of floating docks, uncovered boat slips and other marine construction will be approved by the Company pursuant to Section 3.06(c) and by the ARC.

(c) Metal drums for flotation purposes are not permitted. Flotation materials will be approved by the Company pursuant to Section 3.06(c) and by the ARC.

(d) All Owners who construct or cause to be constructed boat docks and/or piers agree to maintain such structures in good repair and keep same safe, clean and orderly in appearance at all times, and further agree to properly maintain and treat with preservatives all wood or metal located above the High Water Mark, exclusive of pilings. Details of the sketch plans and specifications required for any boat dock or pier shall be submitted by the Lot Owner to Developer in order to insure that the same are placed in proper locations.

(e) In order to prevent interference with the use of adjacent Lots, all boat docks, boat houses and piers will observe a minimum sideyard distance of fifteen (15) feet from any such improvement to an adjoining Lot and shall not cross an adjoining Lot's projected Lot line as it projects into the Lake for a reasonable distance. Reasonable distance shall be determined by the Company and the ARC.

(f) No boat dock or pier shall provide a covered space for boat storage.

(g) No house boat or other vessel shall be utilized for overnight stays while docked at a Lot.

6.26 Driveways. All driveways shall be at least constructed of chert, gravel or loose stone. Dirt driveways shall not be permitted on any Lot on the Property. All driveways shall have a maximum opening width of fourteen (14) feet at the intersection of any private road or County Road. Driveway entrances will be standardized by the ARC and each Owner must follow the ARC construction guidelines in regard to the same.

6.27 Outdoor Furniture, Recreational Facilities and Clotheslines. The Owner of any Lot or Dwelling shall not cause or permit such Lot or Dwelling to become unduly cluttered, as determined in the sole and absolute discretion of the ARC, with any of the following items: (a) outdoor furniture or furniture placed, kept, installed, maintained or located outdoors; (b) children's toys, swing sets, jungle gyms, trampolines and other outdoor and recreational equipment and appurtenances; (c) free-standing playhouses and treehouses; (d) basketball backboards, volleyball nets and other similar sporting goods; (e) outdoor clotheslines or other outdoor facilities for drying or airing clothes or linens; (f) barbecue grills or other types of outdoor cooking equipment; and (g) bird feeders, wood carvings, plaques, statuettes, monuments and other types of homecrafts.

6.28 Animals.

(a) Pets. No more than three (3) domesticated pets, such as dogs and cats (collectively "Pets") shall be allowed on any Dwelling. No such pets shall be allowed to be kept on any Lot or Dwelling for breeding purposes. No Pet shall be allowed to make an unreasonable amount of noise or become a nuisance. The use of fencing is encouraged for purposes of pet control. The design, color, material type and location of any fencing for pet control must be reviewed and approved by the ARC pursuant to the provisions of Section 5.05 above. Pet fencing shall be limited to a run or pen and shall be no higher than five feet (5') and shall be located sufficiently far away from the four hundred ninety foot (490' mean sea level) elevation contour line to prevent run-off of animal waste into the Lake. A setback of thirty feet (30') from the Side boundary line of each Lot will be required for all

pet runs. Pet runs shall be limited to four hundred square feet (400 sq. ft.) maximum and be located in an area approved by the ARC. Each Owner shall be liable to the Association for the costs of repairing any damage to the Common Areas whether currently existing or hereafter created which may be caused by the Pets of such Owner or any Occupant of such Owner's Dwelling. Such costs of repairing any damage to Common Areas caused by the Pets of such Owner or Occupant shall constitute an individual Assessment against the Owner of the Lot who owns such Pets pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein. The Board shall have the right from time to time to promulgate rules and regulations governing the keeping of Pets on the Property, including the right to assess fines for violations of such rules and regulations and the right to require an Owner to remove any Pets from the Owner's Dwelling which make an unreasonable amount of noise, become a nuisance, are allowed to roam unattended, cause damage to Common Areas or otherwise violate such rules and regulations.

(b) Farm Animals. No farm animals will be allowed on any Lot or Dwelling. Farm animals include, but are not limited to, horses, cows, goats, sheep, rabbits, wildfowl, poultry of any kind, hogs, pigs or swine of any type (collectively "Farm Animals").

6.29 **Trash, Rubbish and Nuisances; Environmental Matters.**

(a) No trash, garbage, rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property nor shall any nuisance or odors be permitted to exist or operate upon or arise from any Lot or Dwelling which would render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using, occupying or owning any other Lots or Dwellings. Noxious or offensive activities shall not be carried on, in or from any Lot or Dwelling or in any part of the Common Areas whether currently existing or hereafter created, and each Owner and Occupant shall refrain from any act on or use of a Lot or Dwelling which could cause disorderly, unsightly or unkept conditions, result in the cancellation of or increase in insurance coverage or premiums for any portion of the Property or be in violation of any law, statute, ordinance, rule, regulation or requirement of any Governmental Authority. Without limiting the generality of the foregoing, no horns, whistles, bells, speakers or other sound devices, other than reasonable security and fire alarm devices used exclusively for such purposes, shall be located, used or placed upon any Lot or Dwelling. Any Owner or Occupant or any of the respective family members, guests, invitees, lessees, licensees, agents, servants, employees or contractors of such Owner or Occupant who dumps, places or allows trash or debris to accumulate on his or her Lot, Dwelling, or on any other portion of the Property shall be liable to the Association for all costs incurred by the Association to remove the same. Such costs incurred by the Association in removing such trash or debris shall constitute an individual Assessment against such Owner pursuant to Section 8.06 below, and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein.

(b) Trash, garbage and any other refuse or waste shall not be kept on any Lot or Dwelling except in sanitary containers or garbage compactor units. Trash cans and containers shall at all times be kept at the Side of or inside a Lot or Dwelling; provided, however, that such trash cans and containers may be moved to the Waste Disposal Site to deposit the trash therein subject to the return of the same to the Side of or inside a Lot or Dwelling on the day of deposit. Upon the completion of construction of the Waste Disposal Site, Developer hereby grants to each Owner of a Lot or Dwelling on the Property a perpetual and non-exclusive easement to access and use such Waste Disposal Site, subject to the rules and regulations of, and the payment of individual fees to, the Association and such rules and regulations as may be promulgated by the Association from time to time. Individual fees assessed to each Owner of a Lot or Dwelling on the Property for the collection of trash shall be collected by the Association from each Owner so assessed and paid. In the event an Owner does not pay such fee to the Association, the Association may, but shall not be obligated to, pay the cost incurred by the Association and the payment of such fee by the Association shall constitute an individual Assessment against such Owner pursuant to Section 8.06 below, and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein. In addition, the Association shall have the right to impose Assessments for the improvement, maintenance or repair of the Waste Disposal Site, and the responsibility to pay such assessments shall be borne by each of the Owners of the Lots or Dwellings within the Property. Any assessment for the improvement, maintenance or repair of the Waste Disposal Site shall be apportioned equally among all of the Owners of the Lots or Dwellings within the Property and shall constitute an individual Assessment against each such Owner pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein.

(c) No Owner or Occupant of a Lot or Dwelling shall treat, store, handle, generate, discharge or dispose of Hazardous Materials (as hereinafter defined) in, on or from any portion of the Property, such Owner's Lot or Dwelling, any Common Areas currently existing or hereafter created or the Lake. As used herein, the term "Hazardous Materials" includes, without limitation, any asbestos, urea formaldehyde foam insulation, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related or unrelated substances or materials defined, regulated, controlled, limited or prohibited in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act ("RCRA") (42 U.S.C. Sections 6901, et seq.), the Clean Water Act (33 U.S.C. Sections 1251, et seq.), the Clean Air Act (42 U.S.C. Sections 7401, et seq.), the Toxic Substances Control Act (15 U.S.C. Sections 2601, et seq.), each such Act as amended from time to time, and in the rules and regulations adopted and publications promulgated pursuant thereto, and in the rules and regulations of the Occupational Safety and Health Administration ("OSHA") pertaining to occupational exposure to asbestos, as amended from time to time, or in any other federal, state or local environmental law, ordinance, rule, or regulation now or hereafter in effect. All Owners and Occupants of a Lot or Dwelling shall comply with all applicable federal, state, and municipal laws, ordinances, and regulations regarding such Owner's or Occupant's preparation, transport, use, application and/or disposal of all pesticides, insecticides, nematocides, fungicides, rodenticides, herbicides, dessicants, and/or defoliants ("Pesticides/Herbicides"). Such laws and regulations may include, but are not necessarily limited to, the Alabama Pesticide Act, Ala. Code § 2-27-1 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; and the state and federal rules and regulations that implement these and other applicable laws. Each Owner shall give immediate oral and written notice to the Association of its receipt of any notice of a violation of any environmental laws, statutes, codes, ordinances, rules and regulations of any Governmental Authority covered by this Section 6.29(c), or of any notice of any other claim relating to the environmental or physical condition of such Owner's Lot or Dwelling. Each Owner, by acceptance of a deed to or other conveyance of a Lot and/or Dwelling, shall be deemed to agree to the provisions of this Section 6.29 and to indemnify and hold harmless the ARC, the Association, the Board, and their respective agents, employees, representatives, successors and assigns, from all loss, cost, damage, claim or expense incurred by the ARC, the Association, the Board, and their respective agents, employees, representatives, successors and assigns, arising from or related to: (i) any violation of any of the provisions in this Section 6.29; (ii) any failure to comply with all environmental laws, statutes, codes, ordinances, rules and regulations of any Governmental Authority, as applicable; or (iii) any other matter related to environmental or physical conditions on, under or affecting any portion of the Property, such Owner's Lot or Dwelling, any Common Areas currently existing or hereafter created or the Lake.

6.30 Recreational Vehicles, Boats, Boat Trailers, and Machinery and Equipment.

(a) Mobile homes, motor homes, trailers of any kind, campers, vans, motorcycles, bicycles, motorized carts and all-terrain vehicles, lawnmowers, tractors, tools, construction machinery and equipment of any nature, golf carts and any other similar types of vehicles, machinery or equipment shall not be permitted, stored or allowed to remain on any Lot or Dwelling unless the same is placed, stored and maintained within a wholly enclosed structure, with roofing and doors, or in a designated area approved by the ARC, on such Lot or Dwelling, or in such a manner as to not be visible from any private road or County Road. Any enclosed structure must be approved by the ARC pursuant to the provisions of Section 5.05 above.

(b) On-street parking is not permitted. Vehicles shall be parked only in driveways or in garages. Vehicles shall not be parked on-street or on any landscaped or natural areas of a Lot or Dwelling. Each Owner shall provide space for off-street parking of four automobiles (minimum two hundred square feet (200 sq. ft.) per space) prior to occupancy of any Dwelling constructed on his or her Lot, said parking area not to be inclusive of any garage or carport. Such parking area is to be clearly designated on the site development plan when submitted for the review and approval of the ARC.

(c) Any vehicle (including boats and other types of watercraft) which is inoperable shall be immediately removed from the Property. No Owner or Occupant shall repair or restore any vehicle, machinery or equipment of any kind upon or within any Lot or Dwelling or on any private road or County Road, except: (i) within

enclosed garages or workshops; or (ii) for emergency repairs and then only to the extent necessary to enable the immediate movement thereof to a proper repair facility located outside of the Property.

(d) Subject to the prior written approval of the Association which may be withheld in the sole discretion of the Association, the Board shall have the right at any time and from time to time to adopt rules and regulations with respect to the keeping, storage, parking, operation, use or maintenance of automobiles, motor homes, tractors, equipment, machinery, trailers, trucks, commercial vehicles of any type, campers, motorized campers or trailers, vans, boats or other watercraft, boat trailers, motorcycles, motorized bicycles, all-terrain vehicles, motorized carts, lawnmowers, construction machinery and equipment of any nature, golf carts, and other forms of transportation.

6.31 **Signage.** No signs or advertising posters of any kind shall be maintained or permitted within any windows or on the exterior of any Lot or Dwelling or elsewhere on any portion of the Property without the express written permission of the ARC and except as permitted by applicable laws, statutes, codes, rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof. Such prohibited signs include "For Rent," "For Sale," Contractor and other similar signs. The ARC may promulgate rules, regulations and standards for the use and design of any sign to be posted within the Property, including but not limited to, name and address signs. In the event any sign is required to be posted within any windows or on the exterior of any Lot or Dwelling or elsewhere on any portion of the Property, Developer reserves the right to restrict, size, color and content of such signs. Notwithstanding the foregoing, (a) the restrictions set forth in this Section 6.31 shall not be applicable to Developer or to any sales signs erected pursuant to Section 5.11 above and (b) Developer and the Association shall have the right, but not the obligation, to erect and maintain reasonable and appropriate signs on any portions of the Common Areas currently existing or hereafter created and within those easement areas established in Section 3.07 above. Developer also reserves the right to erect sales signs at appropriate locations to include individual signs on Lots. Signs for temporary events like "open houses" may be utilized as determined by the ARC.

6.32 **Outside Receptacles.** Outside receptacle storage tanks, pumping facilities or similar storage receptacles, not installed within a Dwelling on a Lot or within any accessory building, are required to be buried underground or to be screened from view by screen planting or fencing, subject to the provisions of Sections 6.10 and 6.16 of these Covenants. Other than LP gas storage, no fuel storage of any kind may be located on a Lot on the Property.

6.33 **Temporary Structures.** No temporary house, trailer, shack, tent, barn, shed, stable, poultry house or yard, rabbit hut, temporary or portable toilet (except as provided in Section 6.34(a)), treehouse or other outbuilding or structure of any kind shall be permitted, constructed, installed or allowed to remain on any Lot or Dwelling with the exception of shelters used by a contractor during construction of a Dwelling. It is clearly understood that these temporary construction shelters may not at any time be used as a residence or permitted to remain after completion of construction of a Dwelling. Notwithstanding anything to the contrary in the foregoing, the following shall be permitted: (a) temporary structures for social functions as may be permitted by the rules and regulations of the Board of the Association or the ARC; and (b) construction trailers and/or sales offices erected or placed on any part of the Property by Developer pursuant to Section 5.11 above.

6.34 **Construction of Improvements.**

(a) During the construction of any Improvements or Dwelling: (i) all Lots and Dwellings shall be maintained in a clean condition, free of debris and waste material; (ii) all unused construction materials shall be stored, to the extent practicable, out of view from any private road or County Road; (iii) all construction trash, debris and rubbish on each Lot shall be properly disposed of outside the Property at least weekly; and (iv) any temporary or portable toilet will be placed out of view from any private road or County Road. Used construction materials shall not be burned on-site. In no event shall any used construction materials be buried on or beneath any Lot or Dwelling or any other portion of the Property. No Owner shall allow dirt, mud, concrete, gravel or other substances to collect or remain on any private road or County Road. All costs associated with the clean-up of any Lot shall be the responsibility of the Owner of such Lot.

(b) During the construction of any Improvements or Dwelling, construction equipment and the vehicles of all contractors, subcontractors, laborers, materialmen and suppliers shall: (i) utilize off-street parking

only; (ii) enter the Lot or Dwelling on which such Improvements are being constructed only from the driveway for such Lot or Dwelling; and (iii) not damage trees or other vegetation on such Lot which, pursuant to the provisions of Section 6.06 above, are to be preserved.

(c) Proper erosion control is the responsibility of the Owner and his or her contractor. Adequate silt fencing and gravel at the entry drive must be properly installed and maintained. All private roads and County Roads shall be kept free of mud, silt, and debris from erosion and construction traffic. Natural drainage channels should be maintained undisturbed, to the extent possible, and remain free of trash or debris. By acceptance of a deed to a Lot on the Property, each Owner acknowledges and agrees that: (i) Developer has not implemented an overall drainage plan for the Property; (ii) before, during or after construction of a Dwelling on an Owner's Lot on the Property, the Owner is and shall be responsible for all drainage and soil erosion controls within the boundaries of the Owner's Lot; (iii) before, during or after construction of a Dwelling on an Owner's Lot on the Property, Developer does not have a duty or obligation to control water run-off and soil erosion onto or from such Owner's Lot; (iv) before, during or after construction of a Dwelling on an Owner's Lot on the Property, such Owner is and shall be responsible for complying with all applicable laws, statutes, codes, regulations, rules and orders and obtaining all necessary permits from any Governmental Authority related to development or construction activities on the Owner's Lot, including, but not limited to, any National Pollutant Discharge Elimination System (NPDES) permit required under local, state or federal laws; (v) before, during or after construction of a Dwelling on an Owner's Lot on the Property, such Owner is and shall be solely responsible for any damages or penalties resulting from water run-off and soil erosion from the Owner's Lot; and (vi) before, during or after construction of a Dwelling on an Owner's Lot on the Property, each Owner is and shall be solely responsible for any direct or indirect expenses incurred by Developer, Association or the ARC to ensure compliance with the rules and regulations of the Alabama Department of Environmental Management (hereinafter referred to as "ADEM"). Before, during or after construction of a Dwelling on an Owner's Lot on the Property, Developer, Association or the ARC may impose on such Owner such additional requirements for such Owner's Lot regarding drainage and soil erosion controls as may be imposed on Developer, Association or the ARC by ADEM or any other Governmental Authority, and such Owner shall be solely responsible for the costs and expenses of compliance with any such requirements. Prior to the construction of a Dwelling on an Owner's Lot on the Property, such Owner shall be required to provide the ARC with proof of NPDES construction stormwater permit coverage from ADEM.

(d) Portable toilets are the responsibility of the Owner or his or her contractor. The Owner or his or her contractor shall require all employees, subcontractors, laborers, materialmen and suppliers to utilize the same.

(e) Washing of trucks, vehicles and other machinery and equipment on the private roads or County Roads is not permitted. The washing of concrete delivery trucks must be on the Lot of the Owner for whom construction is being performed (Developer provides no site for this activity). All parties entering the Property must obey any speed limits posted thereon.

(f) Damage to streets, curbs, sidewalks, drainage, inlets, street lights, markers, mailboxes, walls, fences, and any other portions of the Property will be repaired by the responsible Owner or his or her contractor subject to the approval of the ARC. In the event such damage is not repaired by the Owner within a reasonable time, the ARC or the Developer may repair the same, and in such event, the cost of said repairs shall be paid by the responsible Owner or his or her contractor within ten (10) days of submission of the repair bill. Repairs will follow standards of construction as set forth by the ARC and Association.

(g) If any telephone, cable television, electrical, water, gas, or other utility lines are damaged, it shall be the responsibility of the Owner or his or her contractor to bear the cost of reinstallation.

(h) Loud radios or excessive noise shall not be allowed. Normal radio levels are acceptable. No contractors, subcontractors, laborers, materialmen or suppliers will be permitted to bring pets on the Property.

(i) No signage, building permits or other forms of advertisement of any nature shall be attached to any trees or a Lot.

(j) All Dwellings and any other Improvements shall be constructed in compliance with: (i) the Architectural Standards; (ii) all applicable federal, state, county and local laws, statutes, codes, rules, regulations and

ordinances; and (iii) all state, county and local zoning and building code requirements. The ARC may request, in its sole and absolute discretion, proof of such compliance prior to the commencement of or during any such construction. Each Owner shall be solely responsible for obtaining from the appropriate Governmental Authorities all necessary permits and licenses and otherwise paying all required fees for the construction of any Improvements on such Owner's Lot. Each Owner shall also be responsible for strict compliance with the Architectural Standards and all applicable watershed protection, soil erosion, pollution and other governmental requirements, both before, during and after completion of construction of any Dwelling or other Improvements on such Owner's Lot.

(k) When any Owner submits to the ARC plans and specifications for construction of a Dwelling, in accordance with Section 5.05 above, the name of the building contractor selected by such Owner for construction of such Dwelling shall also then be submitted to the ARC; however, if the identity of the building contractor is not known at that time, then the name of the building contractor will be submitted when determined prior to construction. The ARC shall have the right, in its sole discretion, to approve or disapprove of any building contractor so selected by such Owner. The ARC may, in its sole and absolute discretion, require any building contractor approved by the ARC in accordance with this Section 6.34(k) to remit to the ARC a refundable damage/clean up deposit (the "Deposit") in an amount established by the ARC. Should such building contractor damage or fail to properly clean up the Property or Common Areas as required herein, or in any supplemental rules or regulations promulgated by the ARC, the ARC may, in its sole and absolute discretion, initiate appropriate action to remediate any such condition at such building contractor's expense. The costs of any such remediation shall be deducted from the Deposit and any amount expended by the ARC in excess of the Deposit in remediating such condition shall be billed to such building contractor. Within thirty (30) days of the completion of such Dwelling (as evidenced by the issuance of a certificate of occupancy), the ARC shall refund to such building contractor any unexpended portion of the Deposit.

6.35 Subdivision and Interval Ownership. The Owners of two (2) or more Lots may not resubdivide, combine or replat such Lots without the written consent of the ARC; provided, however, that Developer shall be permitted to exercise any of the rights reserved to Developer in Section 2.06 of these Covenants with respect to Lots owned by Developer or any Common Areas without the requirement to obtain the ARC's written consent. Furthermore, no Lot or Lots may be resubdivided, combined or replatted by any Owner or Owners without the written approval of Developer, which consent may be conditioned on the acceptance by such Owner or Owners of such terms and conditions as Developer may set, or withheld, all in Developer's sole and absolute discretion. The Developer must sign an approval authorization on the to-be-recorded plat if any replatting occurs.

6.36 Swimming Pools and Tennis Courts. Swimming pools, outdoor hot tubs, reflecting ponds, saunas, whirlpools, lap pools and tennis courts shall not be constructed, installed and maintained on any Lot or except upon the ARC's review and prior written approval of plans and specifications submitted by an Owner for the same and subject to the restrictions contained herein. Above-ground outdoor pools shall not be permitted under any circumstances on any Lot or Dwelling. The ARC shall have the right to adopt further rules and regulations governing the construction of swimming pools, other outdoor water features or amenities and tennis courts within the Property, including the prohibition of the same.

6.37 Traffic Regulations.

(a) Adoption and Enforcement. All vehicular traffic on any private roads and County Roads shall be subject to the applicable provisions of the laws of the State of Alabama, Tallapoosa County, Alabama and any other Governmental Authority having jurisdiction thereof concerning operation of motor vehicles. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including adopting reasonable safety measures and speed limits for any private roads and County Roads within any portion of the Property. The Association may request or take such action as may be required to compel any appropriate Governmental Authority to enforce public traffic laws on any private roads and County Roads within any portion of the Property. The Association shall be entitled to enforce such rules and regulations by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. In the event of any conflict between the provisions of the laws of the State of Alabama and/or Tallapoosa County, Alabama and/or any other Governmental Authority having jurisdiction thereof and the traffic rules and regulations promulgated by the Association, the more restrictive shall govern.

(b) Operation of Motor Vehicles. Only insured drivers licensed to operate motor vehicles by the State of Alabama or by any other state in the United States may operate any type of motor vehicle on the Property. All vehicles of any kind and nature which are operated on any private roads and County Roads within any portion of the Property shall be operated in a careful, prudent, safe and quiet manner, and with due consideration for the rights of all residents on the Property.

6.38 **Compliance with Governmental Regulations.** Each Owner and Occupant shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, requirements and code provisions of the Governmental Authorities.

6.39 **Additional Regulations.** In addition to the restrictions set forth in these Covenants, (i) the ARC shall have the right, in its sole discretion, from time to time and at any time to adopt, modify and amend the Architectural Standards in order to impose such other, further or different requirements or restrictions which shall be binding on all Owners, Lots and Dwellings, including the adoption of additional or more specific requirements and restrictions governing the improvement and use of any Lot or Dwelling, and (ii) the Association shall have the right from time to time and at any time to adopt, modify and amend such rules and regulations as the Association, in its sole discretion, determines to be in the best interests of all Owners, which rules and regulations shall be binding on all Owners, Lots and Dwellings.

6.40 **Use of Lake; Pollution; Liability.**

(a) Use of Lake. Owners and Occupants of Lots shall have a nonexclusive right and privilege of and easement for using the Lake for such activities as boating, fishing, swimming and water skiing, provided that such right and privilege shall be exercised reasonably and with due regard to the rights of others to use the Lake, as provided by these Covenants. The easement, rights, and privileges granted herein are and shall be permanent and perpetual and are appurtenant to and shall pass and run with title to each Lot.

(b) Pollution of Lake. No Owner or Occupant shall discharge, deposit or throw, or cause, allow or permit to be discharged, deposited or thrown into the Lake any trash, garbage, rubbish, waste, or hazardous substances. Any Owner or Occupant who shall discharge, deposit or throw, or cause, allow or permit to be discharged, deposited or thrown into the Lake any trash, garbage, rubbish, waste, or hazardous substance: (i) shall take such remedial action therefor as Developer or the Association may require, in its sole discretion; (ii) shall be solely responsible for the costs and expenses of such remedial action; and (iii) shall indemnify and hold harmless Developer and the Association from any and all costs, expenses, loss, injury, damage, or claim, including attorneys' fees, resulting from such discharge, deposit or throwing. Such costs, expenses, losses, damages, or claims, including attorneys' fees caused by an Owner or Occupant through the discharge, deposit or throwing of trash, garbage, rubbish, waste or hazardous substances into the Lake shall constitute an individual Assessment against the Owner of the Lot who caused the same pursuant to Section 8.06 below and, if the same is not paid when any demand for indemnification is made, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein.

(c) Release of Developer. By acceptance of a deed to a Lot on the Property, each Owner agrees and covenants to release and hold harmless Developer, Association and the ARC, and their respective directors, members, officers, agents, employees, representatives, successors and assigns, from and against all loss, cost, damage, claim or expense (including reasonable attorneys' fees, expenses and court costs) arising from or related to any injuries or damages to persons or property from the use of the Lake by the Owner or any Occupant of the Owner's Lot or Dwelling, or any of their respective family members, guests, invitees, lessees, licensees, agents, servants or employees. Neither Developer nor Association nor the ARC nor any of their respective directors, members, officers, agents, employees, representatives, successors or assigns, shall have any responsibility whatsoever to insure the safety of the Owner or any Occupant of the Owner's Lot or Dwelling, or any of their respective family members, guests, invitees, lessees, licensees, agents, servants or employees in the use of the Lake, and each such person who shall use the Lake shall do so at his or her own risk. When on or around the Lake, each Owner or any Occupant of an Owner's Lot or Dwelling, or any of their respective family members, guests, invitees, lessees, licensees, agents, servants or employees, should observe that degree of care reasonable to their activity.

(d) Rules and Regulations. Developer or Association may from time to time prescribe rules and regulations concerning the use of the Lake, which rules and regulations shall apply to and be binding upon the Owners and Occupants of Lots.

6.41 **Use of Firearms, Hunting.** The firing or discharge of firearms on the Property is prohibited, except by certified peace officers, game wardens or animal control officers. Hunting of any kind or by any method, including but not limited to firearms, traps, snares, bow and arrows, or manually propelled missiles, is also prohibited on the Property.

6.42 **Enforcement and Remedies.** In the event any of the provisions of this Article VI are breached or are not otherwise being complied with in all aspects by any Owner or Occupant or the respective family members, guests, invitees, lessees, licensees, agents, servants, employees or contractors of any Owner or Occupant, then Developer, Association or the ARC shall each have the right, but not the obligation, at their option, to: (a) enjoin such violation or noncompliance; and/or (b) through their designated agents, employees, representatives and independent contractors, enter upon such Lot or Dwelling and take all action necessary to extinguish or correct such violation or breach. All costs and expenses incurred by Developer, Association or the ARC in enforcing any of the provisions of this Article VI, including, without limitation, attorneys' fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of any noncompliance or the removal of such violation or in any judicial proceeding, together with any other costs or expenses incurred by Developer, Association or the ARC in connection therewith, shall be paid by such Owner who has violated or breached any of the provisions of this Article VI, shall constitute an individual Assessment to such Owner pursuant to Section 8.06 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.09 below and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the ARC and the Association set forth herein shall not be deemed exclusive of any other rights and remedies which the ARC or the Association may exercise at law or in equity or any of the enforcement rights specified in any Section of these Covenants, along with the provision for legal expenses in 12.02 below. The ARC, at its option and in its discretion, may delegate to the Association any of its respective enforcement rights set forth in these Covenants.

6.43 **Variances.** The ARC, in its sole and absolute discretion, shall have the exclusive right to grant variances and exceptions with respect to the provisions of Article V above and this Article VI with respect to any Lot or Dwelling. Any request for a variance or exception submitted to the ARC shall be in writing and, upon approval of the same by the ARC, shall be evidenced by a written document executed by either the chairman or any other appropriate officer of the ARC. The provisions of Section 5.03 above concerning meetings, a quorum of members and the number of votes necessary to approve action taken by the ARC shall be binding upon the ARC in any matters regarding the granting of variances and exceptions.

ARTICLE VII

MAINTENANCE RESPONSIBILITIES

7.01 **Responsibilities of Owners.**

(a) Unless specifically identified herein as being the responsibility of the Association, the maintenance and repair of all Lots, Dwellings, all other Improvements situated thereon or therein and all lawns, landscaping and grounds on or within a Lot or Dwelling shall be the responsibility of the Owner of such Lot or Dwelling. Each Owner shall be responsible for maintaining his, her or its Lot or Dwelling, as the case may be, in a neat, clean and sanitary condition, both on the inside and outside of any Dwellings or Improvements thereto. Such responsibilities shall include, without limitation, maintaining at all times appropriate paint and stain finishes on all Dwellings and other Improvements and reroofing or replacing roofing shingles when the same become worn or would be replaced by a prudent Owner. No exterior changes, alterations or Improvements shall be made to any Lot or Dwelling without first obtaining the prior written approval of the same from the ARC.

(b) Each Lot or Dwelling, as the case may be, shall be landscaped in accordance with plans and specifications submitted to and approved by the ARC pursuant to Section 5.06 above. All areas of any Lot or Dwelling which are not improved by the construction of a Dwelling thereon or designated on the landscaping plan

as “natural areas” shall at all times be maintained by the Owner in a fully and well kept landscaped condition utilizing ground cover and/or shrubbery and trees. The maintenance obligations set forth in this Section 7.01(b) shall apply to all portions of a Lot or Dwelling up to the edge of any private road or County Road abutting such Lot or Dwelling and shall be applicable at all times, either prior, during or after the construction of a Dwelling or any Improvements thereon. Grass, trees, hedges, shrubs, vines, plants and any other vegetation of any type on any Lot shall be cut and trimmed at regular intervals at all times in order to maintain the same in a neat, safe and attractive condition. Grass, trees, hedges, shrubs, vines, plants and other vegetation which die shall be promptly removed and replaced with living plants of like kind and quantity. Dead vegetation, stumps, weeds, rubbish, debris, garbage and waste material shall be promptly removed from any Lot or Dwelling and properly disposed of outside of the Property.

(c) No Owner shall: (i) modify, change or otherwise alter the appearance of any portion of the exterior of a Dwelling or the landscaping, grounds or other Improvements within a Lot unless such modification, change or alteration is first approved, in writing, by the ARC as provided in Sections 5.05 and 5.06 above; or, (ii) do any work which, in the reasonable opinion of the ARC, would jeopardize the safety and soundness of the Property, reduce the value thereof or impair any easement or hereditament thereto, without in every such case obtaining the prior written approval of the ARC.

(d) It shall also be the responsibility of each Owner of a Lot or Dwelling to maintain in good repair and working order and in a sanitary condition any septic tank system installed on such Lot or Dwelling. By acceptance of a deed to a Lot, each Owner agrees to indemnify and hold harmless the Developer and the Association from any and all liability associated with the use, maintenance and operation of a septic tank system on such Lot, including without limitation, any environmental contamination of water or soil resulting, directly or indirectly, therefrom.

7.02 Responsibilities of Association.

(a) Except as may be maintained by a public authority, public service district, public or private utility or other Governmental Authority, person or entity, the Association shall maintain and keep in good repair and condition all portions of the Common Areas (including, but not limited to, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway and the Waste Disposal Site) currently existing or hereafter created, including (i) any private streets and roads within the Property, sidewalks, walkways, street lights, landscaped areas, recreational areas and other Improvements made by Developer or Association within any of the Common Areas or within any of the easements encumbering the Lots as provided in Article III above; (ii) such television and/or cable systems, electric power transmission lines, gas transmission lines, telephone lines, potable water lines, sewer lines, storm drains and sewers, drainage channels and systems, retention ponds, lakes, basins and facilities, lines, pipes, conduits, equipment, machinery and other structures, works, facilities, apparatus and appurtenances installed by Developer or Association that are a part of the Common Areas and that are not maintained by a public authority, public service district, public or private utility, or other person or entity; and (iii) all lawns, trees, hedges, grass, and other landscaping and all lakes and ponds situated installed, placed or planted by Developer or Association within or upon the Common Areas. Neither Developer nor Association, nor any of their respective directors, members, officers, agents, employees, representatives, successors or assigns, shall be liable for injuries or damage to any person or property: (1) caused by the elements, acts of God or any Owner or Occupant of a Lot or Dwelling, or other person or entity whatsoever; (2) resulting from any surface or subsurface conditions which may at any time affect any portion of the Property caused by rain or other surface water which may leak or flow from any portion of the Common Areas currently existing or hereafter created onto all or a portion of a Lot or Dwelling; or, (3) resulting from theft, burglary or other illegal entry into the Property or any Lot or Dwelling thereof. No abatement, deduction, diminution or setoff of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken by or performed by the Association hereunder, or for inconvenience or discomfort arising from the making of Improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any requirements of any Governmental Authorities.

(b) In the event that the Board determines that (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he, she or it is responsible hereunder, or (ii) any maintenance, cleaning, repair or replacement for which the

Association is responsible hereunder is caused by the willful or negligent act of an Owner or Occupant, or their respective family members, guests, agents, servants, employees, invitees, lessees, licensees or contractors, and the costs of such maintenance, cleaning, repair or replacement are not paid in full from insurance proceeds, if any, received by the Association with respect thereto, then, in either event, the Association, in addition to the exercise of any of its rights and remedies set forth in these Covenants, may give such Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth in reasonable detail what action is deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner or, if the same is not capable of completion within such fifteen (15) day period, to commence such maintenance, cleaning, repair or replacement and to proceed diligently with the completion of the same in a good and workmanlike manner. In the event of emergency situations or the failure by any Owner to comply with the provisions hereof after such notice, the Association may provide (but shall not be obligated to provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner and said cost shall be a personal obligation of such Owner, shall constitute an individual Assessment to such Owner pursuant to Section 8.06 below, and, if the same is not paid when due, shall be subject to the lien and foreclosure rights granted pursuant to Section 8.09 below. Notwithstanding anything provided herein to the contrary, the rights and remedies of the Association set forth herein shall not be deemed exclusive of any other rights and remedies which the Association may exercise at law or in equity or any of the enforcement rights specified in any Section of these Covenants, along with the provision for legal expenses in 12.02 below.

ARTICLE VIII

COMMON AREA ASSESSMENTS

8.01 Assessments and Creation of Lien. Each Owner of a Lot, by acceptance of a deed or other instrument conveying any interest therein, regardless of whether such deed or instrument contains a reference to these Covenants, is hereby deemed to covenant and agree to pay to the Association: (a) annual Assessments, as established and to be collected as provided in Section 8.04 below; (b) special Assessments, to be established and collected as provided in Section 8.05 below; and, (c) individual Assessments against any particular Lot which are established or assessed pursuant to the terms of these Covenants, including, but not limited to any fines or costs as may be levied or imposed against such Lot in accordance with the provisions of Sections 3.01, 5.12, 6.28, 6.29, 6.37, 6.40, 6.42, 7.02, 8.01, 8.06, 8.09, 11.01 and 12.02 hereof, or any other Section of these Covenants. All Assessments, together with late charges and interest as provided in Section 8.09(a) below, and all court costs and attorneys' fees incurred by the Association to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon each Lot for which the Owner thereof is responsible for the payment of the same, which lien may be enforced in the manner provided in Section 8.09(c) below. Each Owner shall be personally liable for the payment of all Assessments coming due while he, she or it is the Owner of any Lot, and such Owner's grantee shall take title to such Lot subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his, her or its grantor any amounts paid by such grantee to the Association which were the legal obligations of such grantor. All Assessments, together with late charges and interest at the Applicable Rate, as specified in Section 8.09(a) below, court costs and attorneys' fees incurred with respect thereto by the Association, shall also be a personal obligation of the person who was the Owner of the Lot at the time such Assessments and other costs and charges were assessed or incurred. In the event of co-ownership of any Lot, all of the co-Owners shall be jointly and severally liable for the entire amount of such Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Association. All Assessments shall be payable in all events without abatement, deduction, diminution or setoff by reason of fire or other casualty or any taking as a result of, in lieu of or in anticipation of the exercise of the right of eminent domain, condemnation or by private purchase in lieu thereof with respect to any Lot or Common Area currently existing or hereafter created, or any other portion of the Property, or any other cause or reason of any nature.

8.02 Purpose of Assessments. The annual Assessments and special Assessments provided for herein shall be used for the payment of Common Expenses and for the general purposes of promoting the recreational, health, education, safety, welfare, common benefit and enjoyment of the Owners and Occupants of the Property, and otherwise for the general upkeep and maintenance of the Property, including, but not limited to, the Common Areas currently existing or hereafter created and any Improvements thereto, all as may be more specifically authorized from time to time by the Association.

8.03 Uniform Rate of Assessments.

(a) There shall be two classes of membership in the Association for Owners of Lots on the Property. The Owners of Lots 11-50 as shown on the Plat shall be Class A members of the Association who shall be subject to an initial annual Assessment of Forty and 00/100 Dollars (\$40.00) per month. The Owners of Lots 1-10, 51 and 52 as shown on the Plat shall be Class B members of the Association who shall be subject to an initial annual Assessment of Thirty and 00/100 Dollars (\$30.00) per month. Although entitled to the use of the Scenic Walkway and the benefit of any street lights placed within any of the Common Areas on the Property, the initial annual Assessment for Owners who are Class B members of the Association shall be less than the initial annual Assessment for Owners who are Class A members of the Association since the Lots of Owners who are Class B members will not have street lights placed in any Common Areas or utility easements adjacent to the Roadside or Side boundary lines of said Lots and since the Scenic Walkway will not be as close in proximity to said Lots as to the Lots of Owners who are Class A members. The Owners who are Class B members shall not be required to pay any portion of the annual Assessments which are associated with or otherwise related to the alteration, improvement, maintenance, operation, repair or replacement of: (i) any street lights, or any component thereof, placed in any Common Areas or utility easements which are not adjacent to the Roadside or Side boundary lines of the Lots of said Owners; or (ii) the Scenic Walkway, or any Improvements thereon. Except for the foregoing limitation on the annual Assessments to be paid by Owners who are Class B members, both annual Assessments and special Assessments, as described in Section 8.04 and 8.05 below, shall be assessed against each Lot on the Property at a uniform rate, with the Owner of each Lot being required to pay his, her or its pro rata portion of such annual Assessment and/or special Assessments, as determined by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Lots on the Property as shown in the Plat. Each Lot shall be subject to annual and special Assessments, EXCEPT THAT AS TO ANY LOTS OWNED BY DEVELOPER, THE ASSESSMENTS SHALL COMMENCE ONE (1) YEAR FROM THE DATE OF RECORDATION OF THE PLAT.

(b) Notwithstanding anything provided in Section 8.03(a) above to the contrary, in the event any Additional Property is added to the Property, then the Lots within the Additional Property shall be subject to the same annual Assessments or special Assessments then being paid by the Owners of Lots on the Property who are Class A members, subject to proration as provided in Section 8.08 below.

8.04 Computation of Annual Assessments.

(a) Commencing with the fiscal year of the Association which begins on the date of its incorporation through December 31, 2005, and annually thereafter, on January 1 for each subsequent fiscal year of the Association (i.e., from January 1 in each year through December 31 in each year), the Association shall determine and adopt annually an annual budget covering the estimated Common Expenses for the Property for the upcoming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The amount set forth in such budget shall constitute the aggregate amount of annual Assessments for the then applicable year and each Owner shall pay his or her pro rata share of the same as provided in Section 8.03 above. A copy of the budget setting forth the amount of annual Assessments to be levied against the Lots for the following year shall be delivered by the Association to each Owner.

(b) The Owner of each Lot shall pay his, her or its pro rata portion of annual and special Assessments, as determined by a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Lots as shown in the Plat, subject to annual computation by the Association as set out in Section 8.04(a) above, subject to the limitation on the annual Assessments to be paid by Owners who are Class B members as set out in Section 8.03(a) above, and further subject to the provisions of Section 8.03(a) relating to Developer-owned Lots.

(c) Notwithstanding anything provided herein to the contrary, if any Additional Property is added to the Property, then the Lots within the Additional Property shall be subject to the annual and special Assessments then being paid by the Owners of Lots on the Property who are Class A members, pursuant to the formula contained in Section 8.04(b) above, as well as the prorations provided in Section 8.08 below.

(d) The Common Expenses to be funded by the annual Assessments and Special Assessments may include, but shall not be limited to, the following:

(i) Salaries and other compensation paid and out-of-pocket expenses reimbursed by the Association for its employees, agents, officers and any third party contractors;

(ii) Management fees and expenses of administration, including legal and accounting fees, incurred by the Association;

(iii) The costs of any insurance policies purchased for the benefit of the Association as required or permitted by these Covenants, including, without limitation, public liability coverage and such other insurance coverage as the Board determines to be in the best interest of the Association, including errors and omissions insurance, directors and officers liability insurance and any other liability insurance coverage for the benefit of the Association, the members of the Board, any officers, employees, agents or representatives of the Association or for any of the members of the ARC;

(iv) The expenses of maintaining, operating and repairing any other amenities and facilities serving the Property which the Association or the Board determines from time to time would be in the best interest of the Owners and the Property to so maintain, operate and/or repair;

(v) The expenses of the ARC attributable to the Property which are not defrayed by applicable Plan Review Fees;

(vi) The costs and expenses for conducting social, recreational, cultural or other related programs for the benefit of the Owners and Occupants of the Property;

(vii) All other fees, costs and expenses incurred by the Association in accordance with the terms and provisions of these Covenants or which the Board, subject to the prior written approval of the Association, determines to be appropriate to be paid by the Association, including, without limitation, taxes and governmental charges not separately assessed against Lots;

(viii) The establishment and maintenance of a reasonable reserve fund or funds to: (1) cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds; and, (2) cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board, and approved by the Association;

(ix) The utility charges for any utilities serving any Common Areas currently existing or hereafter created and charges for other common services for the Property, including, without limitation, trash collection;

(x) The expenses of maintaining, operating, repairing, upgrading, improving and replacing any portions of the Common Areas currently existing or hereafter created, including, but not limited to, private roads comprising any portion of the Common Areas on the Property, which maintenance, upgrade, improvement and repair obligation shall include mowing, landscaping, seeding, cleaning, rubbish pickup and removal, paving, repaving, striping and patching all such roadways comprising Common Areas, and any upgrade or improvements of any intersection of same and any other street or highway undertaken by Developer pursuant to Section 3.01(b) above;

(xi) All ad valorem real and personal property taxes assessed and levied upon any Common Areas currently existing or hereafter created; and

(xii) The funds necessary for the establishment and maintenance of a fund to be used for the expenses of inspection, maintenance, repair and replacement of Common Areas currently existing or

hereafter created and the erosion controls serving the Property, as required in any applicable watershed protective covenants.

(e) Developer's initial capital costs of constructing any private roads, the County Roads, the Boat Ramp, the Landscaped Entrances and Signs, the Scenic Walkway, and the Waste Disposal Site are specifically hereby excluded from the Common Expenses.

8.05 Special Assessments. In addition to the annual Assessments authorized in Section 8.04 above and the special Assessments authorized in Sections 9.01(b) and 9.03(a)(i) below, the Board of the Association, after January 1, 2025, or such earlier date as Developer, in Developer's sole and absolute discretion, may determine, may levy in any year special Assessments for Common Expenses or any extraordinary costs incurred by the Association; provided, however, that any such special Assessments (other than special Assessments levied pursuant to Sections 9.01(b) and 9.03 (a)(i) below) shall be approved by a simple majority of the votes of the Owners who are voting in person or by proxy at the meeting called for the purpose of adopting special Assessments pursuant to the provisions of Section 8.07 below. The Board may make such special Assessments payable in one lump sum or in installments over a period of time that may, in the Board's discretion, extend beyond the then fiscal year in which said special Assessments are levied and assessed. Special Assessments shall be levied against and payable by each Owner in accordance with the provisions of Sections 8.03 and 8.04 above.

8.06 Individual Assessments. Any expenses of the Association which, in the opinion of the Board of the Association, are occasioned either (a) by the conduct of less than all of the Owners or (b) by an Owner or Occupant, (c) by the respective family members, agents, guest, servants, employees, invitees, lessees, licensees or contractors of an Owner or Occupant, (d) by the topography, geography or landscaping of less than all of the Lots, or (e) by any other circumstance unique to a Lot, shall be specially assessed against such Owners and their respective Lots. The individual Assessments provided for in this Section 8.06 shall be levied by the Board and the amount and due date of such Assessment shall be specified by the Board in a notice to such Owner. The provisions of this Section 8.06 shall apply, without limitation, to any individual Assessments levied pursuant to Sections 3.01, 5.12, 6.28, 6.29, 6.37, 6.40, 6.42, 7.02, 8.01, 8.06, 8.09, 11.01, 12.02, or any other section of these Covenants. Such costs and expenses shall constitute an individual Assessment against the Owner against whom any such legal or equitable action was taken pursuant to this Section 8.06 and, if the same is not paid when any demand for payment is made, shall be subject to the lien provided for in Section 8.09 below and subject to foreclosure as provided for therein.

8.07 Notice of Meetings and Quorum.

No meeting of the membership of the Association shall be held until the earlier of January 1, 2025, or until such earlier time as the Developer, in Developer's sole and absolute discretion, may determine. Developer may, in Developer's sole and absolute discretion, elect to call a meeting of the members of the Association for information purposes, but the calling of such meeting will not in any way waive the right of Developer to control the membership of the Board of Directors of the Association, including the right to designate the members of the ARC. After January 1, 2025, or such sooner time as Developer, in Developer's sole and absolute discretion, determines to relinquish control of the Board of Directors of the Association, meetings of the Association will be held as follows:

(a) Written notice of each annual meeting of the Association shall be sent to all Owners not less than ten (10) days nor more than fifty (50) days in advance of such meeting. With respect to annual meetings, the presence in person or by proxy of Owners entitled to cast over fifty percent (50%) of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, except as hereinafter provided, but the required quorum at the subsequent meeting shall be the presence in person or by proxy of Owners entitled to cast at least one-third (1/3) of the total votes of the Association. Any notice for any such subsequent meeting shall state that the necessary quorum therefor shall be one-third (1/3) of the total votes of the Association present in person or by proxy. At such time as a quorum is obtained, the vote of a simple majority of the Owners who are voting in person or by proxy at such meeting shall be required to approve any matter in which all of the members of the Association are entitled to vote.

(b) Written notice of any meeting of the Association other than an annual meeting shall be sent to all Owners not less than five (5) days nor more than twenty (20) days in advance of such meeting. With respect to any such other meeting of the Association, including, specifically, meetings pursuant to which Special Assessments are

to be levied upon each Lot pursuant to Section 8.05 above, there shall be no specific requirement establishing a quorum and the vote of a simple majority of the Owners who are voting in person or by proxy at any such special meeting shall be binding on all of the members of the Association.

8.08 Date of Commencement of Assessments. The annual Assessments provided for herein shall commence as to each Lot as follows: from the day on which a deed to such Lot from Developer to a third party is recorded in the Probate Office of Tallapoosa County, Alabama; PROVIDED, HOWEVER, that no assessments shall be made against a Lot owned by Developer until one (1) year from recordation of the Plat. Annual Assessments and any outstanding special Assessments shall be adjusted for each Lot according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such assessment is made. At such time as developer no longer has any interest in any portion of the Property, Developer shall have no further obligation of any nature to pay any Assessments.

8.09 Effect of Non-Payment; Remedies of the Association.

(a) Each Owner of a Lot is and shall be deemed to covenant and agree to pay to the Association all Assessments provided for herein. In the event any Assessments or any portion thereof are not paid when due, the same shall be subject to a late charge in an amount determined and uniformly applied by the Board from time to time, and the Owner of such Lot shall be deemed in default herewith. In the event any Assessments or any portion thereof are not paid within thirty (30) days after the due date of the same, then the unpaid portion of the Assessment shall accrue simple interest at the lesser of eighteen percent (18%) per annum or the highest rate which may be charged to said Owner by law (the "Applicable Rate") from the thirtieth (30th) day from the due date until the same is paid in full. In the event the Association employs an attorney or otherwise takes any legal action in attempting to collect any amounts due from any Owner, such Owner agrees to pay all attorneys' fees, court costs and all other expenses paid or incurred by the Association. The lien and equitable charge upon each Lot for Assessments as provided above shall also include all late charges, interest at the Applicable Rate and all attorneys' fees, court costs and all other expenses paid or incurred by the Association in attempting to collect any unpaid Assessments.

(b) In the event any Assessments or other amounts due to the Association are not paid by any Owner when the same becomes due, then in addition to all other rights and remedies provided at law or in equity, the Association, acting through its Board, or through any of its officers or authorized representatives, may undertake any or all of the following remedies:

(i) The Association may commence and maintain a suit at law against an Owner to enforce such charges and obligations for Assessments and any such judgment rendered in any such action shall include the late charge and interest at the Applicable Rate, as specified in Section 8.09(a) above, together with attorneys' fees, court costs and all other expenses paid and incurred by the Association in collecting such unpaid Assessments; and/or

(ii) The Association may enforce the lien created pursuant to Sections 8.01 and 8.09 in the manner hereinafter provided.

(c) There is hereby created a continuing lien on each Lot, with power of sale, which secures the payment to the Association of any and all Assessments levied against or upon such Lot, all late charges and interest at the Applicable Rate assessed pursuant to Section 8.09(a) above and all attorneys' fees, court costs and all other expenses paid or incurred by the Association in collecting any Assessments. If any Assessments remain unpaid for more than sixty (60) days, then the Association, through its Board, or any officer or authorized representative thereof, may, but shall not be obligated to, make written demand on such defaulting Owner, which demand shall state the date and amount of delinquency. Each default shall constitute a separate basis for a demand and claim of lien, but any number of defaults may be included in a single demand. If such delinquency is not paid in full within ten (10) days after the giving of such demand or, even without giving demand, the Association may file a claim of lien and perfect its lien against the Lot of such delinquent Owner, which claim shall be executed by any member of the Board of the Association or any officer of the Association, and which shall contain the following information and be recorded in the Probate Office of Tallapoosa County, Alabama:

(i) The name of the delinquent Owner;

- (ii) The legal description and street address of the Lot upon which the lien claim is made;
- (iii) The total amount claimed to be due including late charges, interest at the Applicable Rate, collection costs and attorneys' fees incurred to date and a statement, if applicable, that such charges and costs shall continue to accrue and be charged until full payment has been received; and
- (iv) A statement that the claim of lien is made by the Association pursuant to these Covenants and is claimed against such Lot in an amount equal to that stated therein.

The lien provided for herein shall be in favor of the Association, shall be for the benefit of all other Owners (other than those Owners in default), and may be foreclosed in the same manner as now provided by law in the case of past mortgages, and the Association shall be authorized, at its option, to sell the Lot under the power of sale that is hereby given to the Association, at public outcry, to the highest bidder for cash, at the front or main door of the Tallapoosa County Courthouse, after first having given notice by publication once a week for three (3) successive weeks of the time, place and terms of such sale, together with a description of the Lot to be sold, by publication in some newspaper published in Tallapoosa County, Alabama. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale hereunder. The Association shall have the right and power to bid at any such foreclosure sale and to purchase, acquire, hold, lease, mortgage, convey and sell any such Lot. Each Owner, by acceptance of a deed to any Lot, shall be deemed to: (1) grant to and vest in the Association and/or its agents the right and power to exercise the power of sale granted herein and foreclose the lien created herein; (2) grant to and vest in the Association and/or its agents the right and power to bring all actions against such Owner personally for the collection of all amounts due from such Owner; (3) expressly waive any objection to the enforcement and foreclosure of the lien created herein; and, (4) expressly waive the defense of the statute of limitations which may be applicable to the commencement of any such suit or action for foreclosure.

8.10 Subordination of Lien. Notwithstanding anything provided herein to the contrary, the lien for Assessments and other charges authorized herein with respect to any Lot on the Property is and shall be subordinate to the lien of any Mortgage held by an Institutional Mortgagee, but only to the extent that the Mortgage held by any such Institutional Mortgagee is recorded in the Probate Office of Tallapoosa County, Alabama prior to the filing of a claim of lien by the Association pursuant to Section 8.09(c) above. When an Institutional Mortgagee exercises its foreclosure rights provided in its Mortgage and acquires title to or sells to a third party its interest in any Lot, then such Institutional Mortgagee or its purchaser or transferee at such foreclosure sale shall: (a) not be liable for any Assessments or other charges incurred prior to the date of transfer or acquisition of title by foreclosure so long as the Mortgage held by such Institutional Mortgagee was recorded in the Probate Office of Tallapoosa County, Alabama prior to the filing of a claim of lien by the Association pursuant to Section 8.09(c) above; but, (b) be liable for all Assessments and other charges levied, assessed or incurred with respect to such Lot from and after the date of such foreclosure sale. The foregoing shall not relieve any Owner whose Lot has been foreclosed from the personal obligation to pay all Assessments and any other charges levied, assessed or incurred by the Association, and the Association shall have the right to pursue all rights and remedies against a defaulting Owner notwithstanding the foreclosure of a Mortgage by an Institutional Mortgagee on such Owner's Lot.

8.11 Certificates. The Association or any officer or authorized representative thereof shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to any Owner a certificate in writing setting forth whether the Assessments for which such Owner is responsible have been paid and, if not paid, the outstanding amount due and other costs and expenses due from such Owner. Such certificate shall be conclusive evidence of payment of any Assessments stated therein.

ARTICLE IX

CASUALTY, CONDEMNATION AND INSURANCE

9.01 Damage or Destruction to Common Areas.

(a) In the event of any damage or destruction to any of Common Areas currently existing or hereafter created by fire or other casualty, then, subject to the terms and provisions of this Article IX, the Association shall

promptly repair, replace and restore the damaged portions of such Common Areas to the condition to which they existed immediately prior to such fire or other casualty.

(b) A special Assessment may be levied against each Lot equally as provided in Section 8.05 above to make repairs as indicated in Section 9.01(a). Notwithstanding anything provided in Section 9.01(a) above, in the event the amount of insurance proceeds, if any, recovered as a result of such damage or destruction is insufficient to fully repair, replace and restore the damaged portions of Common Areas currently existing or hereafter created, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, then the Board may levy a special Assessment against the applicable Owners, without the necessity of a vote of the Owners approving or disapproving the same pursuant to Section 8.05 or 8.06 above, which such special Assessment shall be in an amount sufficient to provide funds to pay a proportionate share of the remaining costs necessary to repair, replace or restore the Common Areas to the condition as existed immediately prior to such fire or other casualty. Such special Assessment shall be levied against each Lot equally as provided in Sections 8.03 and 8.04 above. Further special Assessments may be made by the Board on a proportionate share basis, as described above, without the necessity of a vote of the Owners approving or disapproving the same at any time during or upon completion of any such repair, replacement or restoration of the Common Areas if funds are insufficient to cover the costs of such repair or restoration. Any and all insurance proceeds received by the Association on account of any damage to or destruction of any of the Common Areas currently existing or hereafter created or any sums paid to the Association under or by virtue of such special Assessments shall be held by and for the benefit of the Association and shall be disbursed by the Association in payment for the costs of such repair or restoration in such manner as may be determined by the Association. In no event shall the Owner or Mortgagee of any Lot be entitled to any portion of any special Assessments or proceeds of insurance payable as a result of the damage to or destruction of any portion of the Common Areas currently existing or hereafter created.

9.02 Damage or Destruction to Lots and Dwellings. In the event of any fire or other casualty which damages or destroys any portion of any Lot or Dwelling, then the Owner of such damaged Lot or Dwelling shall promptly repair and otherwise restore such Lot or Dwelling to the condition to which the same existed immediately prior to such fire or other casualty; provided, however, that any such restoration or repair shall be subject to compliance with all of the terms and provisions set forth in Article V above and all then applicable rules, regulations, statutes and ordinances of Governmental Authorities. Any such restoration or repair shall be commenced within one hundred eighty (180) days following the occurrence of such fire or other casualty. The Owner of any such damaged Lot or Dwelling shall proceed diligently and complete all such restoration and repair no later than one (1) year following the occurrence of such fire or other casualty. In the event the restoration or repair of such Lot or Dwelling is impracticable or would otherwise violate any of the terms and provisions of these Covenants, then such Owner shall promptly clear away any remaining Improvements damaged or destroyed by such fire or other casualty and shall leave such Lot or Dwelling and any remaining Improvements thereon in a clean, orderly, safe and sightly manner.

9.03 Condemnation of Common Areas.

(a) In the event of the taking of all or any portion of any Common Areas currently existing or hereafter created as a result of, in lieu of or in anticipation of the exercise of the right of eminent domain, condemnation or by private purchase in lieu thereof, the award from such taking or sale in lieu thereof shall be paid to the Association and shall be disbursed or held as follows:

(i) To the extent the Common Areas subject to such taking can either be repaired, restored, reconstructed or replaced, then, to the extent practicable, the Association shall take such action, including the utilization of any other Common Areas on the Property, to repair, restore, reconstruct or replace, as the case may be, those portions of the Common Areas subject to such taking. If the award is insufficient to fully defray the cost of such repair, restoration, reconstruction or replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, then the Board of the Association may levy a special Assessment against all Owners, without the necessity of a vote of the Owners approving or disapproving the same pursuant to Section 8.05 and 8.06 above, which such special Assessment shall be in an amount sufficient to provide funds to pay a proportionate share of the remaining costs of repair, restoration, reconstruction or replacement. Such special Assessment shall be levied against each Owner as provided in Section 8.05 above. Further special Assessments may be made by the Board of

the Association on a proportionate share basis without the necessity of a vote of the Owners approving or disapproving the same, at any time during or upon the completion of any such repair, restoration, reconstruction or replacement of the Common Areas if the award received as a result of such taking is insufficient to pay the costs of such repair, restoration, reconstruction or replacement.

(ii) To the extent the Common Areas subject to such taking cannot be repaired, restored, reconstructed or replaced, or if the Association shall determine that the portions of the Common Areas so taken should not be repaired, restored, reconstructed or replaced, then in any such event, the net award from such taking shall be retained by and for the benefit of the Association.

(b) If any portion of the award from any taking remains after repair, restoration, reconstruction or replacement of any Common Areas currently existing or hereafter created, the remainder of such award shall be retained by and for the benefit of the Association, without any claim thereto by any Owner. Except as specifically provided in Section 9.03(c) below, no Owner or Mortgagee of any Lot shall be entitled to any portion of the award made to the Association as a result of the taking of any portion of the Common Areas currently existing or hereafter created.

(c) If any such taking or sale in lieu thereof includes all or any part of a Lot and also includes any part of the Common Areas currently existing or hereafter created, then the award from such taking shall be equitably apportioned in accordance with the decision of a court of competent jurisdiction, and such award shall be disbursed separately to the Association and to the Owners so affected by such taking; provided, however, that the Owners of any Lot which is subject to any such taking and the Association may mutually agree on the amount of such apportionment, which mutual agreement shall be binding on all Owners.

9.04 Condemnation of Lots and Dwellings. In the event that all or any portion of a Lot is taken as a result of, in lieu-of or in anticipation of the exercise of the right of eminent domain, condemnation or by private purchase in lieu thereof, then, to the extent practicable, the Owner of such Lot shall promptly repair, restore, reconstruct and otherwise replace the remaining portions of the Lot as nearly as practicable to the condition to which the same existed immediately prior to such taking; provided, however, that any such restoration shall be subject to all of the terms and conditions set forth in Article V above and all then applicable rules, regulations, statutes and ordinances of Governmental Authorities. In the event the restoration of such Lot is impracticable or would otherwise violate any of the terms and provisions of these Covenants, then such Owner shall promptly clear away any remaining Improvements damaged or destroyed by such taking and shall leave such Lot and any remaining Improvements thereon in a clean, orderly, safe and slightly condition.

9.05 Insurance.

(a) The Association shall have the right and authority to obtain and maintain at all times adequate property and casualty insurance in such form as the Association deems appropriate for the benefit of the Association insuring all insurable Improvements in and to Common Areas currently existing or hereafter created against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism and malicious mischief, which coverage shall be in an amount, with such insurance carriers, at such costs and with such deductibles as the Association, in its sole and absolute discretion, may determine.

(b) The Association shall have the right and authority to obtain and maintain in effect at all times such public liability insurance coverage covering all Common Areas currently existing or hereafter created in such amounts, with such insurance carriers, at such costs and with such deductibles as the Association, in its sole and absolute discretion, may deem necessary or desirable.

(c) The Board shall have the right and authority to obtain workman's compensation insurance, employer's liability insurance, public liability insurance, and all other types of insurance required by law, including, without limitation, errors and omissions and directors and officers liability insurance coverage, in such amounts, with such insurance carriers, at such costs and with such deductibles as the Board, in its sole and absolute discretion, may determine.

(d) All insurance coverage authorized in Section 9.05(c) above shall be written in the name of the Association and all costs thereof shall be a Common Expense. To the extent the same may be obtained at a nominal cost, all such policies shall contain a waiver of subrogation clause pursuant to which the insurer waives any claims against the Developer, the Association, the members of the Board and all officers, agents and employees of the Association, including the manager of the Property, and the Association, the Owners and the family members, servants, agents, tenants and guests of the Owners and shall also name Developer as an additional insured.

(e) All insurance coverages required in Sections 9.05(a) and 9.05(b) above shall be written in the name of the Association and a proportionate share of all costs thereof shall be a Common Expense.

(f) Each Owner shall be solely responsible for obtaining and maintaining public liability, property damage, title and all other types of insurance with respect to his, her or its Lot and Dwelling. The Board may require all Owners to carry public liability insurance with respect to their respective Lots and Dwellings and to furnish copies or certificates thereof to the Association. Each Owner, by acceptance of a deed or other instrument conveying any interest in any Lot, does hereby waive and release Developer, the Association, the ARC, and the manager of the Property and the Association, and all of their respective agents, employees, representatives, partners, shareholders, members, officers and directors, from any and all liabilities or damage covered by (or which should be covered by) fire and casualty (e.g., homeowner's and builder's risk) insurance and general liability insurance which any Owner maintains, even if such loss or damage has been caused by the fault or negligence of any of the foregoing persons or parties.

9.06 Damage or Destruction of Common Areas by Owners. In the event any Common Area currently existing or hereafter created is damaged or destroyed by an Owner of a Lot, its guests, employees or invitees, then in that event said Owner shall promptly cause said damage to be repaired at said Owner's expense, and inspected by the ARC. In the event said Owner does not promptly repair said damage, or does not repair the same according to the requirements of the ARC, then in that event, the Association may promptly repair, replace and restore that damaged portion of the Common Area to the condition to which it existed prior to such damage or destruction and bill said Owner for the costs of said repairs, replacements or restorations. should the Owner not promptly pay said costs of the repairs, replacements or restorations, then the costs of the same shall constitute an individual Assessment to such Owner pursuant to Section 8.06 above and if the same is not paid when due it shall be subject to the lien provided for in Section 8.09 above and be subject to foreclosure as provided for therein.

ARTICLE X

TERM AND AMENDMENTS

10.01 Term. The terms, covenants, conditions and restrictions set forth in these Covenants shall run with and bind all of the Property, shall inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, personal representatives, administrators, successors and assigns, and shall be and remain in effect for a period of twenty-five (25) years from and after the date hereof, after which time these Covenants shall be automatically renewed and extended for successive and continuous periods of ten (10) years each, unless, at any time after twenty (20) years from the date hereof, an agreement executed by the Owners of at least two-thirds (2/3) or more of the Lots within the Property agreeing to terminate or modify these Covenants has been recorded in the Probate Office of Tallapoosa County, Alabama; provided, however, that the rights of way and easements established, granted and reserved in Article III hereof shall continue and remain in full force and effect for the time periods and duration specified therein.

10.02 Amendment by Developer. Until January 1, 2025, or until such earlier date as Developer elects, in Developer's sole and absolute discretion, Developer may amend these Covenants by a written instrument filed and recorded in the Probate Office of Tallapoosa County, Alabama, without obtaining the approval of any Owner or Mortgagee; provided, however, that except as otherwise provided in Section 10.04 below, (a) in the event any amendment proposed by Developer materially and adversely alters or changes any Owner's rights to the use and enjoyment of his, her or its Lot or materially and adversely affects the title to any Lot, then such amendment shall be valid only upon the written consent thereto by the affected Owner or, alternatively, by fifty percent (50%) of all of the Owners (including Developer who shall have the voting rights attributable to any Lots owned by Developer), or (b) in the event any such proposed amendment by Developer would materially and adversely affect the title and

interest of any Institutional Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Institutional Mortgagees affected thereby. Any amendment made pursuant to this Section 10.02 shall be certified by Developer and shall be effective upon recording of the same in the Probate Office of Tallapoosa County, Alabama. Each Owner, by acceptance of a deed or other conveyance to a Lot, and each Mortgagee, by acceptance of a Mortgage on any Lot, agrees to be bound by all amendments permitted by this Section 10.02 and further agrees that, if requested to do so by Developer, such Owner and Mortgagee will consent to the amendment of these Covenants or any other instrument relating to the Property or the Association if such amendment is: (i) necessary to bring any provision hereof into compliance or conformity with the provisions of any law, ordinance, statute, rule or regulation of any applicable Governmental Authority, or the judicial decision of any state or federal court; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lot; (iii) required by any Institutional Mortgagee in order to enable such Institutional Mortgagee to make a Mortgage loan on any Lot; or, (iv) necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on any Lot within the Property.

10.03 Amendments by Association. After January 1, 2025, or such sooner date as Developer, in Developer's sole and absolute discretion, determines, amendments to these Covenants shall be proposed and adopted by the Association in the following manner:

(a) At any annual or special meeting of the members of the Association, an amendment to these Covenants may be proposed by either the Board of the Association or by any Owners provided written notice of the same is provided to all Owners at least ten (10) days before such meeting. Any such proposed amendment must be approved by the Owners holding at least two-thirds (2/3) of the total votes in the Association.

(b) Any and all amendments which have been approved in accordance with the provisions of Section 10.03(a) above shall be executed by all parties whose consent to the same is required, including the Owners holding at least two-thirds (2/3) of the total votes in the Association; provided, however, that in the alternative, the sworn statement of the President of the Association or by the Chairman of the Board stating unequivocally that the agreement of the requisite number of Owners was lawfully obtained may be attached to and incorporated into such amendment without the written consent of any Owner. Any such amendment shall be effective upon recording of the same in the Probate Office of Tallapoosa County, Alabama.

10.04 Restrictions on Amendment. Notwithstanding anything provided in these Covenants to the contrary, in no event may any amendment to Sections 2.02, 2.03, 2.05, 2.06, 3.01 through 3.11, 4.02 through 4.08, 5.01 through 5.15, 6.01, 6.02, 6.08, 6.21 through 6.26, 6.29, 6.35, 6.37, 6.40, 6.42, 8.03, 8.05, 8.07, 8.08, 8.09, 10.02, 10.03, 10.04, 11.01, 12.01, and 12.14 through 12.18 hereof or any other provisions of these Covenants which require Developer's or the Association's or the Company's consent or approval, be effective unless Developer or the Association or the Company, as the case may be, consents in writing to any such amendment requiring its consent. The consent of Developer or the Association or the Company to any such proposed amendment may be withheld in the sole and absolute discretion of Developer or the Association or the Company, respectively, with or without any reason.

ARTICLE XI

ENFORCEMENT

11.01 Authority and Enforcement. In addition to the provisions of Sections 3.01, 5.12, 6.28, 6.29, 6.37, 6.40, 6.42, 7.02, 8.01, 8.06 and 8.09 above, in the event any Owner or Occupant or their respective agents, servants, employees, contractors, invitees, lessees or licensees violates any of the provisions of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations adopted by the Board of the Association from time to time, the Board shall have the power to: (i) impose reasonable monetary fines which shall constitute an equitable charge and continuing lien upon the Lot and shall be a personal obligation of such Owner which is guilty of such violation; (ii) suspend an Owner's right to vote in the Association; or, (iii) suspend an Owner's or Occupant's right (and the right of such Owner's or Occupant's family members, guests, agents, servants, employees, invitees and tenants) to use any of the facilities located in or upon any Common Areas currently existing or hereafter created, and the Board shall have the power to impose all or any combination of any of the foregoing sanctions. Any

such suspension of rights may be for the duration of the infraction, or for such longer time period as the Association, in its sole and absolute discretion, deems appropriate.

11.02 Procedure. In the event any of the terms or provisions of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association are violated by an Owner or Occupant, or the respective family members, guests, agents, servants, employees, contractors, invitees, lessees or licensees of any Owner or Occupant, the Board shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights pursuant to Section 11.01 above unless written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violations which demand shall specify:

- (i) The alleged violation;
- (ii) The action required to abate such violation; and
- (iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction (if such violation is a continuing one), or (if the violation is not a continuing one) a statement that any further violation of the same provision of these Covenants, the Architectural Standards, the Articles of Incorporation, the Bylaws or any of the rules and regulations of the Association may result in the imposition of sanctions. The foregoing procedure shall only be applicable to the enforcement rights specified in Section 11.01 above and shall not apply to the exercise of any of the rights and remedies specified in any other Section or provision of these Covenants.

11.03 Nonexclusive Remedies. Notwithstanding anything provided to the contrary in these Covenants, the authority, enforcement and procedural rights set forth in this Article XI are in addition to and shall not be deemed to limit the other rights and remedies set forth in these Covenants or which the Association, acting through the Board, would have the right to exercise at law or in equity.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.01 Control by Developer. NOTWITHSTANDING ANYTHING PROVIDED TO THE CONTRARY IN THESE COVENANTS, THE ARTICLES OF INCORPORATION, THE BYLAWS OR IN ANY OTHER DOCUMENT OR INSTRUMENT RELATING TO THE PROPERTY, UNTIL JANUARY 1, 2025, OR UNTIL SUCH EARLIER DATE AS DEVELOPER, IN DEVELOPER'S SOLE AND ABSOLUTE DISCRETION, ELECTS, DEVELOPER HEREBY RETAINS THE RIGHT TO: (I) APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD OF THE ASSOCIATION AND ANY OFFICER OR OFFICERS OF THE ASSOCIATION; (II) APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE ARC; AND (III) DESIGNATE THOSE MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION, TO BE ELECTED BY THE BOARD OF DIRECTORS OF THE ASSOCIATION. Each Owner, by acceptance of a deed or other conveyance of any interest in a Lot, agrees that Developer shall have the authority to appoint and remove members of the Board and officers of the Association in accordance with the foregoing provisions of this Section 12.01 and the provisions of Section 4.02 above, until January 1, 2025, or at such earlier date as Developer determines, in Developer's sole and absolute discretion. After January 1, 2025, or such earlier date as Developer may relinquish control, a special meeting of the Association shall be called within a reasonable time thereafter at which time the Owners shall elect a new Board which shall undertake the responsibilities of the Board and Developer shall deliver all books, accounts and records of the Association, if any, which Developer has in its possession.

12.02 Legal Expenses. In addition to the rights and remedies set forth in Articles V, VI, VII, VIII, IX, X, XI and XII hereof, and in any other Article of these Covenants, in the event either the Association, its agents or representatives, the ARC, its agents or representatives, or the Board, its agents and representatives, undertake any legal or equitable action which either of them deem necessary to abate, enjoin, remove or extinguish any violation or breach of these Covenants, then all costs and expenses incurred by either of them, including, without limitation, attorneys' fees and court costs, in enforcing any of the terms, provisions, covenants or conditions in these Covenants shall be paid for by the Owner against whom such action was initiated. The Association, its agents and

representatives, the ARC, its agents and representatives, and the Board, its agents and representatives, are each hereby authorized to take any and all legal or equitable action as may be necessary under the circumstances to restrain or enjoin any such violation or breach or to otherwise seek monetary damages as a result of any expenses incurred by either the ARC or the Association to cure such violation or breach.

12.03 **Severability.** If any provision of these Covenants or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of these Covenants or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each provision shall be valid and enforceable to the fullest extent permitted by law.

12.04 **Captions and Headings.** The captions and headings contained in these Covenants are for convenience of reference only and shall not be used in the construction or interpretation of any provisions of these Covenants. The table of contents, cover page and any index to these Covenants are for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

12.05 **Pronouns and Plurals.** All personal pronouns used in these Covenants, whether used in the masculine, feminine or neuter gender, shall include all other genders. The use of the singular tense shall include the plural and the use of the plural shall include the singular.

12.06 **Binding Effect.** The terms and provisions of these Covenants shall be binding upon each Owner, Occupant and Mortgagee and the respective heirs, executors, administrators, personal representatives, successors and assigns of each Owner, Occupant and Mortgagee, and shall inure to the benefit of Developer, the Association, the ARC, all of the Owners and their respective Mortgagees and their respective heirs, executors, administrators, personal representatives, successors and assigns.

12.07 **Conflict or Ambiguity.** In the event of any conflict or ambiguity in the terms and provisions of these Covenants, the general rules of construction against one party as a result of that party having drafted these Covenants are hereby waived by each Owner and, to the fullest extent allowed by law, no conflicts or ambiguity shall be resolved in favor or to the advantage of one party as opposed to another in interpreting any ambiguity or conflict contained herein.

12.08 **No Reverter.** No restriction or provision hereof is intended to be or shall be construed as a condition subsequent or a possibility of reverter in favor of Developer nor shall any provision be deemed to vest any reversionary interest in Developer.

12.09 **Interpretation.** In all cases, the provisions set forth and provided for in these Covenants shall be construed together and given that interpretation or construction which, in the opinion of Developer or the Board, as the case may be, will best effectuate the intent of the general plan of development for the Property. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication so as to make them fully effective. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of these Covenants shall be the date hereof. These Covenants shall be construed under and in accordance with the laws of the State of Alabama.

12.10 **Right of Third Parties.** These Covenants shall be recorded for the benefit of Developer, the Association, the ARC, the Owners and their respective Mortgagees and by such recording, no other adjoining property owner or third party shall have any right, title or interest whatsoever in the Property, or the operation and continuation of either, in the enforcement of any of the provisions of these Covenants, nor shall any of them have the right to consent to or approve any amendment or modification to these Covenants.

12.11 **No Trespass.** Whenever the Developer, the Association, the ARC and their respective agents, employees, representatives, invitees, successors and assigns, are permitted by these Covenants to enter upon or correct, repair, clean, maintain or preserve or do any other action within any portion of a Lot, the entering thereon and the taking of such action shall not be deemed a trespass.

12.12 **No Partition.** Each Owner hereby waives any right to seek or obtain judicial partition of any portion of the Property.

12.13 **Alabama Fair Housing Law and Federal Fair Housing Act.** Nothing in these Covenants shall conflict with the provisions of the Alabama Fair Housing Law or the Federal Fair Housing Act, as may be amended from time to time.

12.14 **Reservation of Rights.** Notwithstanding anything provided herein to the contrary, no sale, transfer, conveyance, lease, pledge, encumbrance or other hypothecation of any Lot by Developer to a third party shall constitute or be deemed a transfer of any of the rights reserved herein to Developer unless reference is made in such instrument of conveyance to the specific rights created in these Covenants which Developer is transferring to any such third party.

12.15 **Standards for Review.** Whenever in these Covenants Developer, the Association or the ARC has the right to approve, consent to, or require any action be taken pursuant to the terms hereof, such approval, consent or required action shall, except as otherwise specifically provided herein to the contrary, be given or withheld in the sole and absolute discretion of Developer, the Association, or the ARC, as the case may be.

12.16 **Oral Statements.** Oral statements or representations by Developer, the Association, the ARC or any of their respective employees, agents, representatives, successors or assigns, shall not be binding on Developer, the Association, or the ARC, or the manager of the Property.

12.17 **Notices.** Notices required hereunder shall be in writing and shall be delivered by hand, by overnight courier, telecopied, or sent by registered or certified United States Mail, postage prepaid return receipt requested. Any notice so addressed and mailed shall be deemed to be given five (5) days after deposit in the United States Mail, and if delivered by hand, shall be deemed to be given when delivered, and if telecopied or delivered by overnight courier, shall be deemed to be given on the business day immediately following the day on which it was sent or delivered. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association or, if no such address has been so designated, at the address of such Owner's respective Lot within the Property. All notices to the Association or the ARC shall be delivered or sent in care of Developer to the following address:

Alabama Property Company
600 North 18th Street/18N-001
P. O. Box 2641
Birmingham, Alabama 35291-0001
Attn: Vice President, Alabama Property Company

or to such other address as the Association, or the ARC may from time to time specify in a notice to the Owners. All notices to Developer shall be sent or delivered to Developer at the above address or to such other addresses as Developer may notify the Association.

12.18 **Assignment.** Subject to the provisions of Section 12.13 above, Developer, the Association and the ARC shall each have the right to assign any and all of the rights, powers, reservations and duties contained herein to any person or entity who shall thereupon have the same rights, powers, reservations and duties as Developer, the Association and the ARC, respectively.

12.19 **Further Assurances.** Each Owner covenants and agrees to execute, sign and deliver, or cause to be executed, signed and delivered and to otherwise do or make or cause to be done and made, any and all agreements, instruments, papers, deeds, acts or things, supplemental, conformity otherwise, which may be reasonably requested by Developer, the Association, or the ARC for the purpose of or in connection with clarifying, amending or otherwise consummating any of the transactions and matters herein.

12.20 **No waiver.** All rights, remedies and privileges granted to Developer, the Association and the ARC pursuant to the terms and provisions of these Covenants shall be deemed to be cumulative, and the exercise of

any one or more of such rights, remedies or privileges shall not be deemed to constitute an election of remedies nor shall it preclude the party exercising the same, or any other party, from pursuing such other and/or additional rights, remedies or privileges as may be available to such party at law or in equity. The failure at any time to enforce any covenant or restriction set forth herein shall in no event be deemed a waiver of the right thereafter to enforce such covenant or restriction.

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IN WITNESS WHEREOF, Developer has caused these Covenants to be duly executed as of the day and year first above written.

ALABAMA PROPERTY COMPANY:

By: _____
Larry R. Grill
Its: Vice President

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned Notary Public in and for said County in said State, hereby certify that Larry R. Grill, whose name as Vice President of Alabama Property Company, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such Vice President and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal on this the ____ day of _____, 2004.

Notary Public
My Commission Expires: _____

NOTARIAL SEAL

EXHIBIT A

Description of Property

STATE OF ALABAMA

TALLAPOOSA COUNTY

BEGIN at the Southernmost Corner of Lot E-31, North Blue Creek Subdivision, as same is recorded in Plat Book 7, at Page 195, in the Office of the Judge of Probate, Tallapoosa County, Alabama; thence N 58°54'34" E 70.61' to a point located on the south side of South Holiday Drive; thence along said south side the following twenty-one (21) courses: (1) S 77°16'14" E 352.31'; (2) S 56°04'55" E 81.45'; (3) Chord Bearing S 74°19'58" E, Chord Distance 19.49, Radius 561.19; (4) Chord Bearing S 76°53'44" E, Chord Distance 30.71', Radius 561.19'; (5) Chord Bearing S 81°57'41" E, Chord Distance 68.48', Radius 561.19'; (6) Chord Bearing S 88°07'31" E, Chord Distance 52.20', Radius 561.19'; (7) N 89°2'32" E 157.34'; (8) Chord Bearing S 81°06'38" E, Chord Distance 142.02', Radius 422.27'; (9) Chord Bearing S 68°54'16" E, Chord Distance 37.22', Radius 422.27'; (10) S 66°22'43" E 696.63' (11) S 82°08'36" E 94.04'; (12) N 26°16'02" E 16.37'; (13) Chord Bearing N 33°21'54" E, Chord Distance 92.67', Radius 375.00'; (14) N 40°27'47" E 181.91'; (15) Chord Bearing N 42°21'32" E, Chord Distance 24.81', Radius 375.00'; (16) N 44°15'17" E 120.98'; (17) N 44°15'17" E 51.64'; (18) N 52°22'26" E 125.83'; (19) N 42°53'34" E 88.37'; (20) Chord Bearing N 33°24'50" E, Chord Distance 159.37', Radius 483.87'; (21) Chord Bearing N 19°32'24" E, Chord Distance 74.16', Radius 483.87' to an iron pin; thence leaving said south side and going along the following five (5) courses: (1) S 40°44'00" E 66.62'; (2) Chord Bearing S 47°55'19" E, Chord Distance 158.82', Radius 634.57'; (3) S 55°00'03" E 115.36'; (4) N 89°51'09" E 134.91'; (5) N 84°35'11" E 144.63 to an iron pin located on the highwater line of Lake Martin; thence meandering along said highwater line which generally follows the following four-hundred eighty (480) courses: (1) S 73°33'33" W 5.18'; (2) S 16°59'32" E 27.15'; (3) S 09°48'55" W 25.89'; (4) S 08°20'06" E 25.79'; (5) S 06°47'34" W 43.42'; (6) S 09°16'37" W 52.95'; (7) S 18°37'48" W 27.34'; (8) S 54°43'36" W 15.04'; (9) S 73°51'15" W 22.62'; (10) N 83°51'30" W 19.65'; (11) N 78°13'18" W 24.84'; (12) N 88°00'42" W 37.96'; (13) S 70°58'43" W 43.89'; (14) S 75°47'35" W 65.61'; (15) N 79°27'11" W 23.07'; (16) N 35°56'02" W 32.22'; (17) N 65°52'49" W 25.75'; (18) N 69°56'29" W 19.20'; (19) S 37°14'44" W 11.21'; (20) S 52°53'10" W 22.39'; (21) S 86°15'44" W 35.38'; (22) N 80°20'49" W 32.51'; (23) N 81°14'08" W 6.04'; (24) S 63°03'32" W 24.45'; (25) S 01°57'31" W 37.77'; (26) S 32°28'48" E 25.06'; (27) S 54°07'52" E 32.44'; (28) S 46°05'27" E 20.72'; (29) S 24°03'18" E 19.27'; (30) S 13°25'04" W 29.26'; (31) S 40°46'16" E 29.61'; (32) N 84°44'26" E 25.03'; (33) S 72°25'05" E 43.60'; (34) S 45°30'37" E 47.87'; (35) S 76°15'10" E 26.99'; (36) S 02°39'33" E 6.96'; (37) S 28°39'35" W 14.96'; (38) S 36°34'20" W 17.03'; (39) S 05°30'47" W 24.07'; (40) S 17°13'42" E 26.17'; (41) S 39°01'04" E 32.45'; (42) S 50°10'56" E 30.95'; (43) S 68°42'41" E 11.65'; (44) S 76°15'00" E 42.63'; (45) S 57°31'37" E 29.37'; (46) S 52°45'47" E 33.19'; (47) S 41°52'44" E 24.30'; (48) S 33°49'34" E 29.89'; (49) S 42°01'16" E 38.77'; (50) S 34°15'19" E 24.02'; (51) S 54°55'33" E 29.36'; (52) S 42°23'28" E 30.32'; (53) S 09°37'08" W 34.41'; (54) S 38°39'18" W 33.97'; (55) N 89°34'48" W 29.98'; (56) N 65°11'27" W 34.18'; (57) N 74°43'55" W 31.51'; (58) N 69°40'06" W 36.38'; (59) N 68°49'11" W 21.74'; (60) N 70°17'52" W 34.23'; (61) S 72°06'50" W 31.05'; (62) S 50°00'01" W 24.80'; (63) S 31°42'05" W 31.88'; (64) S 54°09'02" W 28.89'; (65) S 84°41'50" W 14.60'; (66) N 88°07'02" W 19.08'; (67) N 70°00'28" W 17.26'; (68) S 80°58'13" W 27.66'; (69) S 51°14'57" W 25.33'; (70) S 81°51'42" W 37.95'; (71) S 88°52'22" W 25.58'; (72) S 77°46'01" W 29.66'; (73) S 20°32'46" W 30.10'; (74) S 13°49'34" E 46.02'; (75) S 32°07'34" E 32.94'; (76) S 65°42'44" E 33.27'; (77) S 59°18'49" E 20.46'; (78) S 35°22'39" E 53.17'; (79) S 06°13'18" E 38.99'; (80) S 14°35'14" W 38.29'; (81) S 09°01'26" W 32.31'; (82) S 32°52'23" W 39.27'; (83) S 25°56'12" W 22.34'; (84) S 09°11'53" W 39.50'; (85) S 09°38'59" E 13.04'; (86) S 38°53'39" E 24.61'; (87) S 34°10'34" E 20.36'; (88) S 29°29'52" E 32.35'; (89) S 39°31'13" E 18.54'; (90) S 74°12'20" E 16.70'; (91) N 89°15'00" E 19.06'; (92) N 53°03'35" E 33.18'; (93) N 41°44'29" E 41.73'; (94) S 78°15'49" E 27.24'; (95) S 70°47'39" E 35.35'; (96) S 52°38'29" E 30.37'; (97) S 10°02'39" E 27.45'; (98) S 03°47'50" E 25.01'; (99) S 03°46'35" W 45.29'; (100) S 02°31'16" W 15.58'; (101) S 13°34'34" W 44.81'; (102) S 00°09'02" W 52.56'; (103) S 21°00'22" W 24.72'; (104) S

06°41'20" E 85.80'; (105) S 15°46'12" E 59.94'; (106) S 14°27'38" E 75.67'; (107) S 36°34'07" W 65.95'; (108) S 72°29'12" W 10.24'; (109) N 81°13'25" W 13.83'; (110) N 16°34'21" W 72.97'; (111) N 19°12'32" W 36.41'; (112) N 20°16'26" W 36.92'; (113) N 41°13'37" W 49.13'; (114) N 12°25'00" E 32.34'; (115) N 13°06'33" W 19.64'; (116) N 24°35'12" W 31.20'; (117) N 47°50'26" W 35.69'; (118) N 53°35'11" W 27.31'; (119) N 63°39'13" W 39.21'; (120) N 74°45'05" W 53.66'; (121) S 71°19'57" W 51.23'; (122) S 35°11'20" W 13.33'; (123) S 01°43'28" W 14.85'; (124) S 00°30'01" E 39.28'; (125) S 11°16'24" W 39.19'; (126) S 71°11'32" W 17.76'; (127) S 89°45'51" W 55.61'; (128) N 52°35'44" W 52.41'; (129) N 26°18'05" W 47.65'; (130) N 18°40'33" W 48.85'; (131) N 00°44'20" E 54.89'; (132) N 78°52'51" W 27.26'; (133) S 82°41'44" W 37.62'; (134) N 81°19'05" W 49.34'; (135) N 51°39'40" W 22.88'; (136) N 48°17'57" W 36.19'; (137) N 62°54'15" W 17.61'; (138) N 80°13'09" W 24.90'; (139) S 66°28'22" W 38.73'; (140) S 27°46'14" E 27.52'; (141) S 00°36'01" W 24.82'; (142) S 06°37'46" W 34.96'; (143) S 15°24'14" W 33.65'; (144) S 15°24'14" W 9.63'; (145) S 20°37'17" E 43.99'; (146) S 19°35'17" E 35.44'; (147) S 30°57'45" E 23.50'; (148) S 89°30'14" E 32.87'; (149) S 46°28'40" E 20.60'; (150) S 62°36'40" E 14.75'; (151) S 10°28'10" E 26.61'; (152) S 23°11'08" E 24.32'; (153) S 10°44'27" W 31.03'; (154) S 13°54'27" E 44.45'; (155) S 08°36'04" W 51.29'; (156) S 09°47'31" E 20.44'; (157) S 23°28'30" E 49.20'; (158) S 54°53'46" E 46.53'; (159) S 22°36'23" E 39.99'; (160) S 29°02'41" E 43.10'; (161) S 14°31'56" W 44.46'; (162) S 61°56'31" W 59.82'; (163) S 87°23'06" W 41.64'; (164) S 68°55'22" W 44.15'; (165) S 36°24'26" W 18.31'; (166) S 22°42'32" E 42.30'; (167) S 03°11'07" W 38.63'; (168) S 18°45'11" E 41.96'; (169) S 36°57'41" E 21.46'; (170) S 67°24'34" E 17.17'; (171) S 61°04'38" E 37.54'; (172) S 09°38'19" E 21.10'; (173) S 24°33'07" E 21.97'; (174) S 31°08'55" E 33.66'; (175) S 40°25'15" E 68.48'; (176) S 55°44'45" E 47.69'; (177) S 80°32'07" E 46.19'; (178) N 79°15'30" E 38.12'; (179) N 71°18'10" E 22.64'; (180) S 22°06'16" W 27.34'; (181) S 27°15'15" W 63.86'; (182) S 20°10'32" W 52.77'; (183) S 52°28'02" W 28.46'; (184) S 44°15'24" W 31.64'; (185) N 55°13'33" W 14.28'; (186) N 36°56'16" W 21.44'; (187) N 68°17'19" W 27.25'; (188) N 03°47'50" W 40.81'; (189) N 35°53'17" W 53.38'; (190) N 67°42'48" W 15.79'; (191) S 77°47'56" W 17.15'; (192) S 74°29'31" W 33.08'; (193) S 87°14'05" W 10.00'; (194) S 64°36'29" W 37.80'; (195) S 25°51'55" W 30.63'; (196) S 55°19'06" W 16.29'; (197) N 76°19'37" W 9.72'; (198) N 44°22'34" W 32.31'; (199) N 28°45'15" W 66.26'; (200) N 18°13'50" W 10.80'; (201) N 53°33'20" W 37.52'; (202) N 32°22'07" W 31.02'; (203) N 14°14'24" W 57.01'; (204) N 73°50'58" W 22.29'; (205) N 86°39'39" W 20.97'; (206) S 57°56'16" W 26.38'; (207) S 28°04'06" W 21.00'; (208) S 59°27'06" W 37.47'; (209) S 38°20'26" W 21.81'; (210) S 24°45'46" W 20.66'; (211) S 43°36'40" W 60.76'; (212) S 03°03'24" E 46.22'; (213) S 14°57'32" W 46.07'; (214) S 51°46'09" W 48.98'; (215) S 31°00'17" W 35.41'; (216) S 21°37'31" W 21.18'; (217) S 78°13'15" W 4.41'; (218) N 25°17'33" W 17.45'; (219) N 26°15'21" W 57.55'; (220) N 31°46'42" W 41.43'; (221) N 26°08'42" W 45.81'; (222) N 37°57'11" W 40.06'; (223) N 15°20'08" W 32.73'; (224) N 50°06'36" W 2.48'; (225) N 17°17'38" W 21.02'; (226) N 39°40'19" W 3.79'; (227) N 56°21'22" E 16.24'; (228) N 63°20'55" E 27.78'; (229) N 49°46'11" E 37.69'; (230) N 13°57'31" E 55.59'; (231) N 08°15'59" E 34.84'; (232) N 20°59'08" E 42.80'; (233) N 18°25'36" W 32.78'; (234) N 45°29'34" W 22.52'; (235) N 67°32'59" W 43.89'; (236) S 74°34'48" W 38.90'; (237) N 87°12'37" W 37.94'; (238) N 83°06'08" W 25.98'; (239) N 69°43'55" W 20.53'; (240) N 68°40'41" W 26.73'; (241) N 57°22'15" W 28.24'; (242) N 23°50'59" W 12.16'; (243) N 02°43'28" W 15.59'; (244) N 63°13'23" E 29.43'; (245) N 10°02'45" W 36.25'; (246) N 64°17'55" W 33.02'; (247) N 65°09'43" W 66.43'; (248) N 68°14'11" W 32.16'; (249) N 64°04'56" W 17.00'; (250) N 57°07'57" W 25.49'; (251) N 48°19'18" W 26.40'; (252) N 32°51'05" W 22.70'; (253) N 48°36'49" W 23.13'; (254) N 51°17'51" W 42.98'; (255) S 63°51'18" W 30.19'; (256) S 20°51'23" W 37.14'; (257) S 03°24'06" W 37.50'; (258) S 04°29'10" E 33.32'; (259) S 39°57'31" E 31.77'; (260) S 04°31'36" E 31.21'; (261) S 01°01'10" W 27.10'; (262) S 12°22'17" E 7.56'; (263) S 36°50'17" E 34.50'; (264) S 15°47'46" E 33.66'; (265) S 08°56'59" E 42.39'; (266) S 03°52'15" W 21.35'; (267) S 13°25'52" W 35.15'; (268) S 31°27'45" W 23.26'; (269) S 53°02'47" W 29.36'; (270) N 82°39'42" W 22.00'; (271) N 56°54'29" W 22.07'; (272) N 84°27'43" W 38.31'; (273) S 79°11'41" W 45.30'; (274) S 72°47'38" W 14.14'; (275) S 33°55'46" W 22.62'; (276) S 20°34'40" W 46.57'; (277) S 29°16'36" W 45.07'; (278) S 20°37'33" W 47.02'; (279) S 43°05'06" W 32.74'; (280) S 66°54'33" W 45.88'; (281) S 54°12'26" W 35.22'; (282) S 21°22'03" W 24.22'; (283) S 25°57'36" W 22.52'; (284) S 78°54'35" W 7.92'; (285) N 76°06'11" W 19.45'; (286) N 32°55'15" W 14.93'; (287) N 60°20'05" W 20.00'; (288) N 16°02'48" W 7.66'; (289) N 08°12'59" E 8.24'; (290) N 42°16'30" E 16.84'; (291) N 12°30'45" W 8.00'; (292) N 43°23'39" E 35.90'; (293) N 08°09'08" E 15.77'; (294) N 02°47'04" E 35.67'; (295) N 03°13'17" E 39.55'; (296) N 11°54'23" W 35.84'; (297) N 31°14'18" E 17.79'; (298) N 01°26'52" E 35.85'; (299) N 08°42'13" W 4.58'; (300) N 06°49'41" E 54.02'; (301) N 05°40'20" W 56.41'; (302) N 13°16'01" W 54.81'; (303) N 21°47'43" W 49.08'; (304) N 48°07'26" W 38.52'; (305) N 63°46'13" W 42.69'; (306) S 73°20'25" W 25.02'; (307) S 77°47'38" W 21.62'; (308) N 28°24'33" W 24.18'; (309) N 60°59'49" W 10.70'; (310) N 39°59'04" W

19.76'; (311) N 14°31'21" E 20.54'; (314) N 47°49'41" W 11.84'; (315) N 03°04'35" W 29.54'; (316) N 40°03'20" E 29.25'; (317) N 10°57'35" E 9.51'; (318) N 67°53'01" W 13.68'; (319) N 41°03'55" E 5.96'; (320) N 84°50'19" E 11.57'; (321) N 17°32'34" E 20.94'; (322) N 05°38'58" E 24.31'; (323) N 29°42'09" E 32.23'; (324) N 05°48'33" E 44.64'; (325) N 05°48'24" W 37.97'; (326) N 15°16'21" W 31.40'; (327) N 01°37'29" W 30.30'; (328) N 08°16'10" W 27.87'; (329) N 13°15'57" W 29.95'; (330) N 04°32'33" W 43.79'; (331) N 03°48'31" E 17.91'; (332) N 15°39'31" E 21.34'; (333) N 52°15'38" E 11.00'; (334) S 82°27'51" E 39.07'; (335) N 81°32'36" E 38.23'; (336) S 83°16'17" E 53.79'; (337) S 79°43'10" E 41.53'; (338) S 82°03'04" E 24.40'; (339) N 34°31'49" W 58.48'; (340) N 18°06'09" W 33.72'; (341) N 43°11'33" W 35.19'; (342) N 34°12'43" W 35.37'; (343) N 32°03'55" W 25.23'; (344) N 06°24'15" W 29.49'; (345) N 02°51'43" E 13.96'; (346) N 30°48'11" W 45.38'; (347) N 21°01'09" W 35.14'; (348) N 04°13'40" W 34.56'; (349) N 07°45'33" W 23.55'; (350) N 55°16'25" E 16.43'; (351) N 89°17'16" E 19.53'; (352) S 62°16'52" E 37.42'; (353) S 56°28'23" E 28.53'; (354) S 64°12'32" E 44.45'; (355) S 69°37'13" E 33.23'; (356) S 70°13'33" E 25.36'; (357) S 69°04'31" E 9.06'; (358) S 79°54'35" E 32.35'; (359) S 79°54'35" E 12.80'; (360) S 76°24'34" E 42.26'; (361) N 74°34'14" E 31.21'; (362) S 86°11'23" E 20.30'; (363) N 83°34'37" E 24.04'; (364) N 13°45'38" E 21.28'; (365) N 32°22'54" W 33.30'; (366) N 50°34'38" W 58.55'; (367) N 51°44'16" W 34.14'; (368) N 58°59'31" W 78.33'; (369) N 61°40'46" W 28.39'; (370) N 38°11'55" W 27.71'; (371) N 11°54'29" W 23.90'; (372) N 33°54'47" E 6.80'; (373) N 75°08'13" E 52.86'; (374) N 64°04'21" E 38.69'; (375) N 13°12'37" E 40.60'; (376) N 03°26'08" E 41.39'; (377) N 10°04'40" E 8.74'; (378) N 14°39'40" W 50.62'; (379) N 30°02'11" W 27.36'; (380) N 15°18'41" E 29.15'; (381) N 42°37'41" E 43.15'; (382) N 68°05'56" E 30.84'; (383) S 88°08'50" E 47.40'; (384) S 76°50'43" E 9.32'; (385) S 82°38'21" E 53.82'; (386) N 62°32'14" E 33.71'; (387) N 89°43'25" E 35.44'; (388) S 82°24'08" E 73.67'; (389) S 72°33'52" E 48.30'; (390) S 59°28'18" E 26.02'; (391) N 50°11'00" E 16.72'; (392) N 12°45'05" E 26.94'; (393) N 31°04'16" W 40.06'; (394) N 60°43'25" W 32.36'; (395) N 59°18'48" W 12.55'; (396) N 60°47'48" W 72.03'; (397) N 60°47'48" W 12.32'; (398) N 35°16'25" W 8.31'; (399) N 38°56'22" W 23.85'; (400) N 53°47'47" W 33.97'; (401) N 61°51'07" W 50.52'; (402) N 52°03'28" W 6.74'; (403) N 05°44'21" W 16.18'; (404) N 19°39'59" W 11.18'; (405) N 24°29'12" W 19.11'; (406) N 23°44'46" W 28.48'; (407) N 33°53'30" W 30.30'; (408) N 41°14'41" W 23.06'; (409) N 45°16'29" W 14.73'; (410) N 61°39'07" W 13.67'; (411) N 20°36'48" E 26.10'; (412) S 82°17'27" W 34.48'; (413) S 55°46'53" W 21.78'; (414) S 26°16'54" W 28.67'; (415) S 38°24'19" W 26.16'; (416) S 47°01'24" W 6.99'; (417) S 47°01'24" W 35.63'; (418) S 53°03'22" W 27.39'; (419) S 80°47'10" W 16.07'; (420) N 82°49'35" W 20.80'; (421) N 60°06'24" W 28.24'; (422) N 80°10'57" W 32.19'; (423) N 11°59'52" W 29.44'; (424) N 23°30'37" W 18.08'; (425) N 22°00'32" E 42.78'; (426) N 14°20'44" E 36.16'; (427) N 23°01'42" W 23.90'; (428) N 38°23'02" W 11.58'; (429) N 79°21'49" W 13.95'; (430) S 86°57'48" W 47.53'; (431) S 54°27'15" W 10.45'; (432) S 54°27'15" W 29.65'; (433) S 61°24'03" W 45.41'; (434) S 58°55'42" W 57.86'; (435) S 31°47'07" W 17.55'; (436) S 27°36'44" W 24.63'; (437) S 29°57'37" W 43.68'; (438) S 24°31'50" W 33.81'; (439) S 70°58'37" W 8.48'; (440) N 06°05'24" E 16.64'; (441) N 23°46'23" W 21.41'; (442) N 12°44'13" W 40.31'; (443) N 22°17'54" W 80.54'; (444) N 84°59'09" W 35.24'; (445) S 59°06'37" W 38.78'; (446) S 44°24'54" W 59.46'; (447) S 58°07'59" W 20.80'; (448) S 41°43'46" W 29.84'; (449) S 59°34'45" W 20.91'; (450) N 77°22'18" W 21.20'; (451) S 70°12'53" W 15.62'; (452) S 47°35'49" W 22.15'; (453) S 77°16'43" W 10.79'; (454) N 11°44'34" W 11.71'; (455) N 27°15'06" E 11.57'; (456) N 25°26'27" E 35.53'; (457) N 09°23'45" E 25.75'; (458) N 06°32'31" W 50.48'; (459) N 54°34'45" W 24.87'; (460) N 11°15'11" W 27.23'; (461) N 04°41'21" W 25.96'; (462) N 39°42'25" E 13.08'; (463) N 02°19'28" E 23.13'; (464) N 28°38'50" E 19.28'; (465) N 45°47'32" E 12.78'; (466) N 68°22'16" E 45.42'; (467) N 42°22'24" E 71.70'; (468) N 15°32'04" E 32.43'; (469) N 25°44'26" W 10.75'; (470) N 78°58'58" W 10.82'; (471) S 76°46'30" W 43.13'; (472) N 77°10'14" W 32.28'; (473) N 85°44'44" W 31.55'; (474) N 72°14'34" W 25.38'; (475) N 44°07'26" W 22.78'; (476) N 37°54'23" W 28.59'; (477) N 66°48'27" W 41.69'; (478) N 89°36'13" W 38.11'; (479) S 5°58'19" W 33.90'; (480) S 32°36'30" W 25.73' to an iron pin; thence leaving said highwater line N 49°35'03" W 30.90' to an iron pin; thence N 50°01'32" W 27.16' to an angle iron; thence N 35°01'22" W 19.80' to the point of beginning. Containing 78.05 acres, more or less, and lying in and being a part of the South 1/2 of the NW 1/4 and the North 1/2 of the SW 1/4 of Section 2 and the NE 1/4 of the SE 1/4 of Section 3, all in T-20-N, R-22-E, Tallapoosa County, Alabama.

EXHIBIT B

Nontransferable Lakeshore Use Permit Martin Lake