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DECLARATION

OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS

FOR

LEGENDWOOD

SUBDIVISION

Prepared by:

Samuel H. Givhan, Esquire
WILMER & LEE, P.A.
100 Washington Street
Huntsville, Alabama 35801
Telephone Number: (256) 533-0202

SPECIAL NOTE TO CLOSING ATTORNEYS

Please note the following provisions relating to homeowner association dues and collection of transfer fees: (1) PURSUANT TO ARTICLE IV, SECTION 8, ON PAGE 7 OF THE DECLARATION, PRORATED GENERAL ASSESSMENTS ARE TO BE COLLECTED AT CLOSING, UNLESS THE EXCEPTION FOR A TRANSFER TO A BUILDER APPLIES; and (2) TRANSFER FEES ARE DUE TO THE ASSOCIATION UPON EACH CONVEYANCE OF THE PROPERTY (other than a Mortgage, foreclosure deed or deed in lieu of foreclosure) PURSUANT TO ARTICLE IV, SECTION 12, PAGE 8.

**DECLARATION
OF PROTECTIVE COVENANTS RESTRICTIONS AND EASEMENTS
FOR
LEGENDWOOD
SUBDIVISION**

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS is made on the date hereinafter set forth by Greystone Development, Inc., an Alabama corporation, (hereinafter sometimes called "Declarant").

**BACKGROUND
STATEMENT**

Declarant is the owner of the real property described in Article II, Section 1, of this Declaration.

Declarant desires to subject the real property described in Article II, Section 1, hereof to the provisions of this Declaration to create a residential community and to provide the mechanism for the subjecting of other real property to the provisions of this Declaration.

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

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

The Declarant has heretofore caused the Association, as defined below, to be formed as an Alabama non profit corporation for the purpose of making the Assessments, as defined below, and otherwise taking all action which the Association is authorized to take.

ARTICLE I Definitions

Unless the context shall prohibit, certain words used in this Declaration shall have the definition meaning set forth in Exhibit "A", attached hereto and by reference made a part hereof.

ARTICLE II Property Subject to This Declaration

Section 1. Property Hereby Subjected To This Declaration. The real property which is, by the recording of this Declaration, subject to the covenants and restrictions hereinafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is the real property described in Exhibit "B", attached hereto and by reference made a part hereof.

Section 2. Other Property. Only real property described in Section 1 of this Article II is hereby made subject to this Declaration; provided, however, by one (1) or more Supplementary Declarations, Declarant has the right, but not the obligation, to subject real property to this Declaration, as hereinafter provided in Article X.

Section 3. Mutuality of Benefit and Obligation. The provisions of these Covenants are made (a) for the mutual and reciprocal benefit of each Lot and Common Area within the Community and are intended to create mutual, equitable servitudes upon and in favor of each Lot, (b) to create reciprocal rights and obligations between the respective Owners and all future and subsequent Owners of any Lot within the Community, and (c) to create a privity of contract and estate between the Owners, their respective heirs, successors and assigns.

ARTICLE III Association Membership and Voting Rights

Section 1. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in this Declaration and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by any individual designated from time to time by the Owner in a written instrument delivered to the secretary of the Association. Membership shall be appurtenant to and may not be separated from ownership. Those Owners of property, if any,

which is exempt from assessments as provided in Article IV, Section 11, hereof are Members of the Association and are subject to the provisions of this Declaration, but are not Owners of Residences and shall not, therefore, be entitled to vote.

Section 2. Voting. The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 1; provided, however, there shall be only one vote per Lot. Notwithstanding the above, the Owner of two contiguous Lots, as shown on the final subdivision plat recorded in the Public Records, on which one residential dwelling is constructed which crosses the boundary line separating Lots, shall have only one vote for such Lots. All Class "A" votes shall be cast as provided below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint all of the members of the Board of Directors, as determined in the By-Laws, during the Class "B" Control Period which shall continue until the first to occur of the following:

- (i) when Declarant no longer owns a Lot in the Community;
- (ii) when 180 Residences have certificates of occupancy issued thereon and have been conveyed to Persons other than licensed homebuilders;
- (iii) fifteen years from the date of execution of this Declaration;
- (iv) when, in its discretion, the Class "B" Member so determines and voluntarily relinquishes such right; or
- (v) when the Class "B" Member no longer has a unilateral right to annex Property.

After termination of the Class "B" Control Period, the Class "B" Member may appoint a Majority of the members of the Board of Directors and shall have a right to veto actions of the Board and committees as provided in the By-Laws. The Class "B" membership shall terminate upon the earlier of:

- (i) once all Lots have obtained certificates of occupancy;
- (ii) five years after expiration of the Class "B" Control Period; or

(iii) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Lot which it owns.

The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Lots within any Additional Property made subject to this Declaration pursuant to Article X, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

Any Owner of a Residence not occupied by the Owner may, in the lease or other written instrument, assign the Owner's voting right appurtenant to that Residence to the Occupant, provided that a copy of such instrument is furnished to the Secretary within the time period prescribed by the Secretary. In the event of such assignment, the Occupant may vote the Owner's vote on all issues upon which the Owner would be entitled to vote.

An Owner's right to vote may be suspended as provided in Article XII, Section 2, of this Declaration.

ARTICLE IV Assessments and Transfer Fees

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

Section 2. Type of Assessments. Each Owner of any Residence, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) General Assessments; (b) Special assessments, such assessments to be established and collected as hereinafter provided in Article IV, Section 5; and (c) Specific assessments against any particular Residence and/or Lot which are established pursuant to the terms of this Declaration, including, but not limited to, those assessments established by Article IV, Section 10, and Article V, Section 2, hereof and reasonable fines as may be imposed in accordance with the terms of the Declaration and By-Laws. General Assessments shall be levied for Association Expenses determined by the Board to benefit all Owners and Occupants. General Assessments shall be allocated among all Lots in the Community.

Section 3. Creation of Lien and Personal Obligation for Assessments. All assessments, together with late charges, interest at a rate equal to the lesser of fifteen (15%)

percent or the maximum lawful rate, costs, and reasonable attorney's fees actually incurred shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligations of the Person who was the Owner of such Lot at the time the assessment fell due. Each such Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgage holder taking title through foreclosure proceedings or deed in lieu of foreclosure.

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

Section 4. Budget. Each year the Board shall, by majority vote, determine and adopt and approve a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve, and set the annual General Assessments to be levied against each Lot for the following year at a level sufficient to meet the budget. Such budget shall be binding on all Owners. The Board may not, without the consent of Declarant (so long as Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof) and the vote or written assent of at least a Majority of the total Association vote entitled to vote thereon, impose a General Assessment per Lot which is more than one hundred twenty (120%) percent of the General Assessment for the immediately preceding fiscal year. In the event that the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the current year shall continue for the succeeding year. The Board's failure or delay in preparing or adopting the annual budget for any fiscal year shall not waive or release an Owner's obligation to pay General Assessments whenever the amount of such General Assessment is finally determined. Upon written request, a copy of the then applicable annual budget for General Assessments shall be provided to any Owner.

Section 5. Special Assessments. In addition to the other assessments authorized herein, the Board may levy special assessments in any year. So long as the total amount of special assessments allocable to each Lot does not exceed the amount of the current General Assessment in any one (1) fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a majority of the total Association vote entitled to vote thereon and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof, the consent of Declarant. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 6. Lien for Assessments. All sums assessed against any property subject to this Declaration pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such property in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such property, except for (a) liens of ad valorem taxes; and (b) liens for all sums unpaid on a first Mortgage.

All other Persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the records of the Office of the Judge of Probate, Madison County, Alabama shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid in full by the date specified by the Board, ("Due Date"), shall be delinquent. Any assessment delinquent shall incur a one time late charge of fifty and no/100 (\$50.00) dollars, or such other amount as the Board may from time to time determine. If the Owner's payment of dues (along with the initial late fee and any attorneys' fees) is not received by the Association within 60 days from the due date, in addition to the initial late fee, the Owner shall be charged the collection fee which is then being charged by the Association. The amount of such collection fee may be changed from time to time by the Association without notice to any Owner. Such collection fee shall be due and payable immediately and shall be for the purpose of helping to pay the extra cost to the Association for handing and collecting delinquent payments. If the assessment is not paid when due, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest on the principal amount due, and all collection fees (which may also be referred to from time to time as "late charges") from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association and its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting through the Board and on behalf of the Owners, shall have the power to bid at any foreclosure sale or to acquire, hold, lease, mortgage, or convey foreclosed property. No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, by non-use of Common Property, or abandonment of the Lot. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from

any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

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

Section 8. Date of Commencement of Assessments. The assessments provided for herein shall commence as to each Lot subject to this Declaration upon the transfer from the Declarant to a third party, which shall be prorated from January 1 of each year. Such General Assessment shall be adjusted according to the number of months remaining in the calendar year during which the Lot became subject to assessment and SHALL BE PAID IN ADVANCE. At no time shall any Lot owned by the Declarant be subject to the payment of any assessments due hereunder until title to the subject Lot has been sold and conveyed to a third party. Furthermore, in the event that a Lot is sold to a Builder for the purpose of resale, the Lot will not be subject to General Assessments until such time as it is sold as a residence or until two years have passed from the conveyance by Declarant to Builder. In the event that a Lot is sold to a Builder for his personal home, or if he moves into the home, the General Assessment will commence upon the issuance of a Certificate of Occupancy or upon his moving in the home, whichever occurs earlier. THE INITIAL GENERAL ASSESSMENT FOR THE ASSOCIATION IS SIX HUNDRED DOLLARS (\$600.00) PER YEAR. THE DUE DATE FOR GENERAL ASSESSMENTS SHALL BE **JANUARY 1** OF EACH YEAR, except for prorated payments which SHALL BE DUE AT THE TIME OF CLOSING.

Section 9. Loans from Declarant. The Declarant may, but shall in no way be required, loan money to the Association and/or advance funds to pay for insurance premiums, taxes, maintenance, and other expenses of the Association. The Association shall account for such loans/advances on an annual basis. At that time, the Association's officers shall execute a note in favor of Declarant with interest to accrue at Compass Bank's Prime Rate. The principal and interest shall be payable over a five year period commencing once 72 (seventy-two) Lots are obligated to pay dues to the Association.

Section 10. Specific Assessments. The Board shall have the power to specifically assess pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. The Board may specifically assess Lots for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

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

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

Section 11. Exempt Property. The following property shall be exempt from General Assessments and special and specific assessments:

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

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

Section 12. Transfer Fees.

(a) Initial Sales Subject to the remaining terms and conditions of this Section 12, at the closing and transfer of title of each Lot to the first Owner of such Lot other than the Declarant or any affiliates thereof, the initial purchaser of such Lot shall contribute and pay to the Association an amount equal to \$500.00 or such greater amount as required by the Declarant by contract. This contribution shall be made by the initial purchaser of a Lot (and not the Declarant or any affiliates thereof) to be utilized by the Association for the payment of any costs and expenses (including loan repayments) relating to the construction of any recreational facilities such as clubhouses, swimming pools, tennis courts, and similar amenities within the Community and other capital expenditures of the Association, working capital for the Association and the payment of Common Expenses, and shall not be considered as a prepayment of any Assessments.

(b) Resales Subject to the remaining terms and provisions of his Section 12, at the closing of each subsequent conveyance of any Lot by an Owner (other than the Declarant or any affiliates thereof) to a third party purchaser (other than the Declarant or any affiliates thereof) each and every third party purchaser of a Lot shall contribute and pay to he Association the sum of \$500.00 which contribution shall also be utilized by the Association for any costs and expenses (including loan repayments) relating to the construction of any recreational facilities such as clubhouses, swimming pools, tennis courts and similar amenities within the Community and other capital expenditures of the Association, working capital for the Association and the payment of common expenses, and shall not be considered as a prepayment of any Assessments.

(c) Exemptions Notwithstanding anything provided in this Declaration to the contrary, the transfer fees specified in Section 12(a) and in Section 12 (b) above shall not be applicable to (I)

any Lot purchased by the Association; or (ii) the Declarant in the exercise of any of the repurchase rights and options granted to the Declarant herein; or (iii) any Mortgagee who accepts a mortgage, foreclosure deed, a decree foreclosing a Lot, or a deed in lieu of foreclosure from an Owner.

ARTICLE V
Maintenance: Conveyance of Common Property
by Declarant to Association

Section 1. Association's Maintenance Responsibility. The Association shall maintain and keep in good repair the Common Property. In the event the Association ceases to exist, or otherwise fails to perform as specified herein, each Owner shall be liable for their pro rata share of said maintenance based upon the ratio of Lots they owned divided by all Lots in the Community. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property. In addition, if the following property exists in the Community, the Association may, as determined by the Board, maintain part or all of such property, regardless of whether it is Common Property: Community hiking and biking trails; Community dock areas; grass and other landscaping along dedicated rights-of-way; sedimentation ponds; Community entrance features; and lakes and dams.

The Association shall also have the right, but not the obligation, to maintain and provide services for other property not owned by the Association, whether located within or without the boundaries of the Community, and to enter into leases, easements and covenants and to share costs agreements regarding such property (and any other property) where the Board has determined that this would benefit Owners.

The foregoing maintenance costs shall be assessed as a part of the General Assessment or specific assessments, as determined by the Board in accordance with this Declaration.

Section 2. Owner's Maintenance Responsibility. Each Owner shall maintain or cause to be maintained in a safe, clean and attractive condition all property subject to this Declaration which is owned directly or indirectly by such Owner in a manner consistent with the Community-Wide Standard and this Declaration. Such maintenance obligation shall include, without limitation, the following: Prompt removal of all litter, trash, refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, exterior lighting, and maintenance facilities in good repair and working order; keeping lawn and garden areas alive, free of weeds, and attractive; keeping driveways in good repair; complying with all governmental health and police requirements; and repair of exterior damages to improvements.

In the event that the Board determines that (a) any Owner or designee of the Owner, as designee is defined below, has failed or refused to discharge properly his obligations with regard

to the maintenance, repair or replacement of items for which he is responsible hereunder; or (b) that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, invitees, or designee then, the Association may perform the repair, replacement or maintenance and shall, except in the event of any emergency situation, give the Owner or designee written notice of the Association's intent to provide such necessary maintenance, repair, or replacement, at the Owner's or the Owner's designee's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner or his designee shall have ten (10) days within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at Owner's sole cost and expense, and all costs shall be treated as a specific assessment against the Owner and the property owned by the Owner.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard and shall conform to any applicable municipal ordinances and regulations.

Section 3. Party Walls and Party Fences.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Lots which serves and/or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. This shall not apply to fences constructed along a Lot boundary by a single owner unless the adjoining owner has made use of the fence to enclose all or a portion of his own property.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure. Provided, however, that any painting or staining of a fence shall not be considered a maintenance item. The painting or staining (after the initial required stain/paint is applied) of a fence shall be the sole expense of the party wishing to stain or repaint).

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

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

(e) Arbitration. In the event of a disagreement between the Owners of any Lots on either side of a party structure with respect to their respective rights and obligations as to such party structure, then such dispute shall be submitted to arbitration with the ARC (or any designee thereof) whose decision shall be final, conclusive and binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other with respect to the maintenance, repair and replacement of any common fence.

Section 4. Conveyance of Common Property by Declarant to Association. The Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Property to be maintained by the Association. Declarant shall have the right, without limitation, to include Lakes and Dams in the property that may be conveyed by Declarant and which shall be accepted by the Association.

Section 5. Additional Improvements. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section including, without limitation, dredging or otherwise removing silt from any lake that may be conveyed.

Section 6. 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 Community. In performing its responsibilities hereunder, the Association, through the Board, shall have the right and authority to delegate to such 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 property operation of any portion of the Community, 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 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 Community, or the enforcement of these Covenants, the Articles of Incorporation, the Bylaws, or any rules and regulations of the Association.

Section 7. Management by Declarant or its Affiliates. In addition to the rights and authority granted to the Association in Section 6 of this Article, Declarant or one of its affiliates or members, may, but shall not be obligated to, be employed as the manager of the Association and the Community for so long as Declarant owns any Lot in the Community, or until such earlier date as Declarant elects, in Declarant's sole 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 Community. Each Owner, by acceptance of a deed to or other conveyance of a Lot shall be deemed to ratify the provisions of this Section 7 and specifically be deemed to have approved any management agreement entered into by the Association or Declarant.

Section 8. Governmental Interests. For so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Declarant may designate sites within the Community for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. The sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

Section 9. Dedication of Common Area. The Association may dedicate portions of the Common Area to Madison County, Alabama, or to any other local, state, or federal governmental or quasi-governmental entity.

ARTICLE VI Use Restrictions and Rules

Section 1. General. This Article, beginning at Section 2, sets out certain use restrictions which must be complied with by all Owners and Occupants. These use restrictions may only be amended in the manner provided in Article XIII, Section 4 and in Article XV, hereof regarding amendment of this Declaration. In addition, the Board, by a two-thirds (2/3) vote, may, from time to time, without consent of the Members, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community. This authority shall include, but shall not be limited to, the right to limit the type and size of vehicles within the Community and to set the maximum and minimum speeds of vehicles on private streets within the Community and to impose all other necessary traffic and parking regulations and to restrict the maximum noise levels of vehicles in the Community. The Board may also restrict certain portions of the recreational facilities administered by the Association to adults only. Such use

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

Section 2. Residential Use. All Lots shall be used for single-family residential purposes exclusively. No business or business activity shall be carried on in or upon any Residence at any time except with the written approval of the Board. Leasing of a Residence shall not be considered a business or business activity. However, the Board may permit any Residence to be used for business purposes so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of the Declaration or By-Laws, does not create a disturbance. The Board may issue rules regarding permitted business activities.

Section 3. Signs. No sign of any kind shall be erected by an Owner or Occupant within the Community without the prior written consent of the Architectural Review Committee. Notwithstanding the foregoing, the Board shall have the right to erect reasonable and appropriate signs, and "For Sale" and "For Rent" signs consistent with the Community-Wide Standard may be erected upon any Lot. The provisions of this Section shall not apply to any Person holding a Mortgage who become the Owner of any Lot as purchaser at a judicial or foreclosure sale conducted with respect to a first Mortgage or as transferee pursuant to any proceeding in lieu thereof. Political signs may be displayed in such numbers and in such manner as may be determined by the Board from time to time.

Section 4. Vehicles and Garages. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans, and automobiles. Unless and except to the extent that the Occupants of a Residence shall have more vehicles than the number of parking areas serving their Residence, all vehicles shall be parked within such parking areas. Where the Residence contains a garage, "parking areas" shall refer to the number of garage parking spaces.

No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, for a period longer than five (5) days if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five (5) day period, such vehicle shall be considered a nuisance and may be removed from the Community. Any towed vehicle, boat, recreational vehicle, motor home, or mobile home regularly stored in the Community or temporarily kept in the Community, except if kept in a garage or other area designated by the Board, for periods longer than twenty-four (24) hours each shall be considered a nuisance and may be removed from the Community. Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

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

All single-family detached Residences shall contain, as a minimum, a two-car garage; carports shall not be permitted. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage. Other than an Owners standard means of transportation, e.g., car, truck, SUV, or van, no vehicle should be in view from the street (they should either be in a garage or in the rear yard behind fence). An Owner with more vehicles than parking spaces in a garage may park the extra vehicles (or the vehicles of guests, children, domestic employees, etc.) in their driveway. No parking whatsoever is permitted in the front yard.

Section 5. Leasing. Residences may be leased for residential purposes. All leases shall have a minimum term of six (6) months. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property.

Section 6. Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be additionally levied against the Owner.

Section 7. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board; provided, however, those pets which are permitted to roam free, or in the sole discretion of the Board, endanger health, make objectionable noise, (including, but not limited to barking dogs) or constitute a nuisance or inconvenience to the Association members or Occupants or the owner of any property located adjacent to the Community may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Residence be on a leash or otherwise confined in a manner acceptable to the Board. Without prejudice to the Board's right to remove any such household pets, no household pet that has caused damage or injury may be walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. The Board shall have the right from time to time to promulgate rules and regulations governing keeping the pets within the Community, including the right to assess fines for violations of such rules and regulations.

Section 8. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community.

Section 9. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Community.

Section 10. Architectural Review Committee.

(a) Approval of Improvements. No exterior construction, alteration, addition, or erection of any nature whatsoever shall be commenced or placed upon any part of the Community, except such as is installed by the Declarant, or as is approved in accordance with this Section, or as is otherwise expressly permitted herein. No exterior construction, addition, erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by the Architectural Review Committee (“ARC”) established by the Declarant. The following items, without limitation, will be submitted to the Architectural Review Committee for new home construction: house plans, site plans, landscaping plans, and exterior color and material schedule.

(b) Selection of Members. Prior to the termination of the Class “B” membership (the “Turnover Date”), the Declarant shall have the sole and exclusive right to appoint and remove, with or without cause, at any time and from time to time, all members of the Architectural Review Board, the number of members of which shall be determined solely by the Declarant. Following the occurrence of the Turnover Date, the Board shall have the sole and exclusive right to appoint and remove, with or without cause, at any time and from time to time, all members of the Architectural Review Committee, the number of members of which shall be determined solely by the Board.

(c) Delegation of Authority. All individuals serving on the Architectural Review Committee shall be deemed to be agents and representatives of the Association (only, however, to the extent of addressing the matters for which the ARC was established) and may, but shall not be required to be, members of the Association or Owners. The Architectural Review Committee shall have the right from time to time to adopt and establish such rules and regulations as may be determined to be necessary concerning the procedure, notice of meetings and all other matters concerning the conduct of business of the Architectural Review Committee, including, without limitation, the right, to the extent the Architectural Review Committee consists of more than one (1) member, to designate one (1) individual on the Architectural Review Committee to act on behalf of the entire Architectural Review Committee in all matters in which the Architectural Review Committee is granted the right to act under the terms and provisions of this Declaration.

(d) Professionals. The Architectural Review Committee may from time to time hire or engage architects, engineers, land planners, attorneys and other professionals to provide services with respect to or for the benefit of the Architectural Review Committee, including designating any such professionals as members of the Architectural Review Committee. Any such professionals may be paid reasonable compensation for all services rendered to, on behalf of or for the Architectural Review Committee. Any such compensation payable to such professionals shall be paid first from any design review fees paid by applicants to the Architectural Review Committee and the deficit, if any, shall constitute common expenses.

(e) Additional Rules and Regulations. The Architectural Review Committee may, from time to time and at any time, adopt additional rules, regulations, and requirements relating to the design review and approval process and the construction of any Improvements to any Lot within the Community, including, without limitation, regulations for architects and builders, adoption of specific forms which must be completed and submitted to the Architectural Design Committee and the requirement that specific information be provided as part of the design review process, requirements establishing that each Builder deposit security deposits with the Architectural Review Committee and any other matters as may be determined from time to time to the Architectural Review Committee, which rules, regulations and requirements shall constitute part of the Rules and Regulations.

(f) Modifications. Once a plan is approved, any modification to that plan must also be reviewed and approved in writing by the Architectural Review Committee. No construction of any Lot shall be commenced and no Lot shall be modified except in accordance with a plan approved in writing by the Architectural Review Committee. Any modifications to plans previously approved by the Architectural Review Committee, any additions to be made during construction and any alterations or changes to any existing Improvements on a Lot are subject to review and written approval by the Architectural Review Board, specifically including, but not limited to, the following:

- (i) painting of the exterior of a Residence (including doors, windows, and trim) other than with originally approved materials and colors;

- (ii) replacement of roof or other parts of the Residence other than with duplicates of the original material approved by the Architectural Review Committee and any other alteration of a Building;
- (iii) installation of satellite dishes or receivers or other devices which are visible from outside the Lot;
- (iv) construction of fountains, swimming pools, whirlpools or other exterior pools or water features;
- (v) construction of privacy walls, fences and gates, as well as limitations thereon and the types of materials to be used;
- (vi) addition of awnings, flower boxes, shelves, statues, or other outdoor ornamentation; and
- (vii) significant new landscaping and any removal or substantial pruning of existing trees or plants.

The listing of a category does not imply that such construction is permitted; the Declarant and the Rules and Regulations may, for example, prohibit all solar panels, antennas, satellite dishes or receivers or require that, to the greatest extent practicable, the same not be visible from any right of way in the Community.

(g) Exceptions. Interior construction and modifications not affecting the external structure or appearance of any Building are not subject to review. However, floor plans are required as part of the review process to assist in the overall comprehension of the design, and minimum interior ceiling heights may be required, as may be provided in the Architectural Review Committee.

(h) Application. The plans to be submitted to the Architectural Review Committee for approval shall be submitted on such forms which the Architectural Review Committee may require and shall include (i) the construction plans and specifications, including all materials and colors, (ii) elevations of all proposed Improvements, (iii) proposed clearing, grading and landscaping plans, and (iv) all other items required by the Architectural Review Committee.

(i) Basis for Decision. Applications shall be approved or denied based upon compliance with the Rules and Regulation and/or the guidelines and provisions of the Architectural Review Committee and overall quality of design. The Architectural Review Committee may also consider other factors, including purely aesthetic considerations, which, in the sole opinion of the Architectural Review Committee, will affect the desirability or suitability of the proposed Dwelling. The Architectural Review Committee shall have the right to approve any submitted plans and specifications with conditions or stipulations by which the applicant shall be obligated

to comply and must be incorporated into the plans and specifications submitted by such applicant. Approval of plans and specifications by the Architectural Review Committee for Improvements or other matters with respect to one particular Lot shall not be deemed an approval or otherwise obligate the Architectural Review Committee to approve similar plans and specifications for any other Lot. The Architectural Review Committee shall be deemed to have approved plans and specifications only if and to the extent their approval is set forth in writing. Verbal or oral approvals are not binding on the Architectural Review Committee. The Architectural Review Committee, with the consent of Declarant (prior to Turnover Date), may grant variances from the Declaration based on existing topographical or landscape conditions, existing trees, or architectural merit. Any such variances must be in writing.

(j) Expense of Review. Each Owner (or any contract purchaser of a Lot) who submits any plans to the Architectural Review Committee for approval shall pay to the Architectural Review Committee a design review fee for the review of such plans and specifications for any Improvements to be made to such Owner's (or contract purchaser's) Lot. The Board shall adjust the review fees, from time to time, to cover all or part of the expected cost of the operation. Until such time as adjusted by the Board, the review fees shall be \$275.00. If such fees do not cover the cost of the review, the Association shall fund the deficit. The Architectural Review Committee may employ personnel or contract with individuals or companies as necessary to assist in the review process.

(k) Time Period. In the event that the Architectural Review Committee fails to approve or to disapprove submitted plans and specifications within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required, and this Section will be deemed to have been fully complied with. As a condition of approval under this Section, an Owner, on behalf of himself and his successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. In the discretion of the Architectural Review Committee, an Owner may be made to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of himself and his successors-in-interest. The Architectural Review Committee shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Board may, as provided in Article XIII, Section 1, hereof, record in the appropriate land records a notice of violation naming the violating Owner.

(p) Release of Liability. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Architectural Review Committee, the members thereof, nor the Association assumes liability

or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Association, the Architectural Review Committee, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Review Committee, the Board, or the officers, directors, members, employees, and agents of any of them to recover any such damages and hereby releases, remises, quit-claims, and covenants not to sue for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given.

(m) Elevation Limitations. Unless specifically exempted by the ARC, no Residence may be constructed within the same Phase or within 500 feet (whichever distance is greater) of a Residence, or an approved planned Residence, with the same front elevation.

Section 11. Antennas. No exterior antennas of any kind shall be placed, allowed, or maintained upon any portion of the Community, including any Lot without the prior written consent of the Board or its designee. No free standing antennas whatsoever shall be placed on any Lot. The Board or its designee may approve the installation of radio antennas which do not protrude above the roof line of the Residence at its highest point and are not visible from the street in front of the Residence. Each Owner and Occupant acknowledges that this provision benefits all Owners and Occupants and each Owner and Occupant agrees to comply with this provision despite the fact that the erection of an outdoor antenna or similar device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received. The erection of small satellite dish may be permitted, however, the size and location must be approved by the Architectural Review Committee.

Section 12. Tree Removal. No trees shall be removed without the express consent of the Board or its designee, except for (a) diseased or dead trees; (b) trees less than six (6) inches in diameter; (c) trees needing to be removed for safety reasons; or (d) trees in the immediate location of building approved by the Architectural Review Committee.

Section 13. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains except with the permission of the Architectural Review Committee or the Board. Declarant hereby reserves a perpetual easement across all Community property for the purpose of altering drainage and water flow. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of

affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 14. Site Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

Section 15. Clotheslines, Garbage Cans, Woodpiles, Etc. All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment, air conditioning compressors and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Declarant, however, hereby expressly reserves the right to dump and bury rocks on property within the Community as needed for efficient construction and to allow developers and builders within the Community to bury rocks removed from a building site on such building site. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community, except when done during the normal construction of a residence or by Declarant. During Construction all trash must be contained on the Lot in a roll-off container located within 100 feet of the home under construction. Each construction site must be maintained in a safe, clean and orderly condition and shall include a portable toilet until such facilities are available in the home for construction workers.

Section 16. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board or its designee. Declarant, however, hereby expressly reserves the right to replat any Lot owned by Declarant during the time in which Declarant may annex property. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 17. Guns. The use of firearms in the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and firearms of all types.

Section 18. Fencing. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the Board or its designee. Any fence will be compatible with in the home and have architectural interest and include brick or stone columns at the corners. Except for approved privacy fences erected around patios, there shall be no solid fences erected in the back yards of residences of Lake Lot Owners. However, with Board approval, a four (4) feet high wrought iron or cast aluminum fence may be erected. The intent of this regulation as related to Lake Lot Owners is to present an aesthetically pleasing, "non-walled off" appearance from, to, and in the vicinity of Lakes.

Section 19. Lakes. This Section, Article XII, Sections 5 and 7 of this Declaration, and rules, use restrictions and design guidelines issued by the Board or its designee shall govern the use of such lakes as may exist in the Community or such lakes as are made available for the use of all Owners and Occupants in the Community and activities related thereto. Fishing shall be permitted so long as a license is obtained from the appropriate governmental authority. Swimming, ice skating and water skiing shall not be permitted, except as specifically approved by the Board. Unless approved by the Board or its designee, no Owner may construct a dock. Retaining walls and similar structures shall not be installed without the prior written approval of the Board or its designee. Except as may be approved by the Board or its designee, boats shall not be permitted on the lakes.

Section 20. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

Section 21. Air-Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed.

Section 22. Lighting. Except for approved lighting as originally installed on a Residence, exterior lighting visible from the street shall not be permitted, except for (a) two (2) decorative post lights; (b) a street light in conformity with an established street lighting program for the Community; (c) seasonal decorative lights at Christmas; or (d) front house illumination of model homes. Ground level landscape lighting may be permitted as approved by the Architectural Review Committee.

Section 23. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags, and similar items must be approved by the Board or its designee.

Section 24. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Board or its designee.

Section 25. Above-Ground Swimming Pools. Except as may be permitted by the ARC or the Board, above ground swimming pools shall not be erected.

Section 26. Driveways. Except as may be permitted by the Board or the ARC, driveways shall be constructed with aggregate pea gravel concrete.

Section 27. Exteriors. Except as may be permitted by the Board or its designee, the exterior of all improvements including, without limitation, Residences must be repainted in a

color used in the original construction of Residences within the Community. No Residence exterior shall be constructed of untreated wood. All such wood exteriors must be painted or specifically approved by the Architectural Review Committee.

Section 28. Windows, Window Treatments and Doors.

(a) Reflective glass shall not be permitted on the exterior of any dwelling. No foil, mirrored or other reflective materials shall be installed on any windows or used for sun screens, blinds, shades or other purposes.

(b) The ARC may adopt guidelines for the types of windows and materials from which windows may be allowed on any dwelling. Burglar bars or doors (including wrought iron doors) shall not be permitted. Screen doors shall not be used on the front or side of any dwelling. No aluminum or metal doors with glass fronts (e.g., storm doors) shall be allowed on the front of any dwelling. Appropriate window treatments shall be used on all windows. Sheets, bed linens, blankets and paper or plastic bags are not appropriate window treatments. The portion of all window coverings visible from the exterior of any Residence shall be white or off-white or neutral, unless otherwise approved.

Section 29. Chimneys. All chimneys that are on the exterior wall must have either brick or stone on the three exterior sides of the chimney. Interior chimneys may have either an ARC approved type of siding or stucco product on all four sides of the chimney.

Section 30. Lake and Park Lot Restrictions. Notwithstanding any other subdivision restrictions, Lots that abut either one of the Community's lake or a designated park area shall not be allowed to have a detached garage.

Section 31. Mailboxes. Only approved mailboxes can be installed in the Community. Each mailbox must be the designated model of the Board. Each mailbox shall have either a black or bronze finish, as established by the ARC.

Section 32. Landscaping. The purpose of this restriction is to promote landscape development of single family residential lots that will preserve and appreciate the value of the development by promoting a high quality, cohesive level of landscaping. These requirements may be altered or amended at the discretion of the Architectural Review Committee.

1. Guideline for Landscaping Planning:

(a) Existing vegetation and trees should be preserved whenever possible to provide screening and lend an established feeling to the Community.

(b) Shrubs should be well distributed, but not necessarily evenly spaced. Shrubs may be used for screening and to minimize the visual impact of driveways and parking areas.

- (c) Sod shall be installed in the front yard side yard and in no less than 15 feet of the rear yard.
- (d) Earth berms may be used to create a sense of enclosure and to screen driveways, especially if planted with shrubbery.
- (e) Unified mulched planting beds edged in materials such as brick, steel or wood are preferred as they look neat longer and their shape is preserved.
- (f) Exterior building material colors should be considered when selecting flowering trees and shrubs so that colors will not compete with or negate each other.

2. General Landscape Requirements:

A landscape plan shall be included as part of the lot development package submittal. This plan will include the entire lot and indicate the following:

- (a) General information, including date, north arrow, and scale of one inch to no more than fifty feet; all property lines, locations of all easements and rights-of-way; name and telephone numbers of Builder and Owner.
- (b) Construction information, including the locations of buildings, driveways, walks, walls, fences, and terraces.
- (c) Locations, caliper, species (common name), and intended treatment (move, remove, or save) of existing trees six inches or greater at breast height.
- (d) A schedule of all new and existing required plants proposed for landscaping, including size (caliper and height, container size, etc.) common names (genus, species, and variety) of trees, shrubs, and ground cover, and type and amount of turf grasses.

3. Tree and Shrub Requirements:

- (a) The front yard of each lot shall be planted with at least two large trees (i, ii, iii) and one small tree (iv, v), to include no more than one evergreen. Shrubbery required in the front yard shall be a minimum of eight shrubs, at least half of which shall be species evergreen in this climate. Shrubs shall be planted in a bed of mulch or ground cover other than turf grass.
- (b) The rear yard shall be planted with at least one large tree (4.i, ii, iii), and one small tree (4.iv, v).
- (c) All proposed trees shall conform to be the minimum size standard listed below, based on American Standards for Nursery Stock, ANSI Z60.1, published by the American Association of Nurserymen and approved by the American National Standards Institute, as follows:

4. Suggested Large Trees:

- (i) Type 1, Shade trees, 2.5" caliper, 12' height range - Sugar Maple, Red Maple, Tulip Poplar, Sycamore, Red Oak, White Oak, and Willow Oak.
- (ii) Type 2, Shade trees, 1.5" caliper, 6' to 8' height range - Weeping Willow, Bradford Pear, Golden Rain Tree, Southern Magnolia, Zelkova, River Birch and European Birch.
- (iii) Type 5, Coniferous Evergreens, 5' to 6' height range - Pine species, Hemlock and Spruce.

Suggested Smaller Trees:

- (iv) Type 3, Small upright trees, 1" caliper, 6' to 7' height range - Redbud, Crabapple, Crepe Myrtle, Cherry Laurel, and Flowering Plum.
- (v) Type 4, Small spreading trees, 5' to 6' height range - Flowering Dogwood, Star Magnolia, Flowering Cherry, and Japanese Maple.

5. Other Landscaping Provisions

- (i) If existing trees meet requirements of this covenant in all respects, required trees of the covenant may be omitted. Each existing tree meeting requirements may count, at the option of the owner, for one of the trees in its required class, provided it:

Is not one of the following species: Box elder, silver maple, catalpa, cottonwood, camphor, mimosa, chinaberry, princess tree, or Siberian elm.

Has a live crown and is free from serious root, trunk, and crown injury.

Is indicated on the landscaping plan as a tree "to be saved."

Is situated so that it can be incorporated into the landscape with minimal grade, cut, or fill under the drip line of the tree.

- (ii) Ground cover may include shrubs and low-growing plants such as Liriope, English ivy, Periwinkle, and similar material. Ground cover may also include non-living organic material such as bark and pine straw.

- (iii) All trees greater than six inches in diameter at breast heights shall be preserved, unless removal of them is part of an approved plan.

- (iv) The lot shall be completely landscaped. However, planned natural areas will be allowed provided that the lawn and the natural area form a cohesive whole.

(v) Driveways shall coordinate with topography and existing vegetation to preserve all trees greater than six inches in diameter at breast height.

(vi) Each lot Owner must submit a landscaping plan and must completely install such plan within ninety days of occupying the Residence. Additionally, each lot Owner must maintain his lawn in as good or better condition than his original landscaping plan. It is not the intention of the ARC to monitor every planting in LEGENDWOOD, but if a lawn, at the sole discretion of the ARC, has deteriorated and/or was never installed properly, then the lot Owner will be required to bring his lot into compliance with the guidelines.

Section 33. Screening of Heating and Cooling Units. All exterior heat and air conditioning compressors or air handlers must be screened from view. This can be accomplished with either vegetation, brick and/or stone or may be behind a fence, as approved by the Architectural Review Committee. If vegetation is used it must create a walled off effect. The screening is encouraged on all sides of the equipment but is required on the front and side of the equipment.

Section 34. Storage Tanks. Any storage tank must be approved by the architectural control committee and, if approved, must be buried.

Section 35. Home Size. No home shall be constructed in excess of two stories. Basements are permitted and shall not count toward the levels of the home permitted by this section. No home shall consist of fewer than 2800 square feet of heated/cooled living area. Greater requirements may be set forth below.

Section 36. Basketball Goals. No basketball goals may be erected, placed or constructed on the front of any Lot. Only Board approved basketball goals may be erected or constructed on the rear portion of any Lot. No basketball goal may be erected over a garage or attached to a dwelling.

Section 37. Brick Requirements. All dwellings and permitted accessory buildings constructed on the lots of said subdivision shall have an exterior of at least eighty percent (80%) stone or masonry brick construction, with no less than sixty percent (60%) of the exterior of the sides of the dwellings or buildings consisting of stone or masonry brick unless, in the sole discretion of the Architectural Review Committee, the style and exterior of the dwelling shall be deemed to architecturally enhance the Community. Visible unpainted red or yellow "sewer brick" will not be allowed. In the event that the ARC, **in its sole and absolute discretion**, chooses to allow a dwelling to be constructed of exterior materials other than brick or stone masonry, then the material shall be "Hardie Board" or "Hardie Plank" or material of a similar nature. Composite siding shall be absolutely forbidden. Neither Aluminum nor vinyl siding may be used for any portion of the exterior.

Section 38. Roof Pitch. All dwellings shall have a roof pitch of **6/12** or greater on the main roof unless the ARC determines that the period of the home design dictates the use of a different roof pitch.

Section 39. Foundations. Slab foundations are only permitted in garages All foundations must be brick or stone with no exposed concrete or masonry block.

Section 40. Dwelling Restrictions.

- a) Each Dwelling must have either a side or rear entry garage. Front entry garages are prohibited.
- b) Roofs of dwellings constructed on all of said lots shall be of architectural grade shingles.
- c) Dwelling within the Community shall generally comply with the historic theme(s) as established from time to time by the ARC. Unless otherwise approved, Dwellings shall be in one of the following categories: Colonial, Georgian, Federal, French Provincial, Greek Revival, Italianate, Tudor or other similar classic period design.

Section 41. 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 this Declaration with respect to any Lot. 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 vice chairman of the ARC. **No exception granted by the ARC shall constitute a waiver of the restriction in any manner unless the exception is explicitly made on a Community wide basis or made, by resolution, to affect one or more particular subdivision(s) within the Community.**

Section 42. Involvement of Board. The Board may, but shall not be required, to take any formal action to abate any nuisances or to take any action with regard to a violation of the restrictions, particularly when the violations are minor or involve pets. Nothing in this provision shall prohibit an Owner from either taking action or filing suit against another Owner in order to protect his/her/its rights under this Declaration.

**ARTICLE VII
Prohibition of Timesharing**

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

ARTICLE VIII
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property.

The Board shall obtain a public liability policy applicable to the Common Property insuring the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars or a greater amount if directed by Declarant during time specified in Article X. If available at reasonable cost, as determined in the sole discretion of the Board, the Board shall also obtain directors' and officers' liability insurance.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as trustee, for the respective benefitted parties, as further identified in subparagraph (b), below. Such insurance shall be governed by the provisions hereinafter set forth:

- (a) All policies shall be written with a company licensed to do business in Alabama and holding a rating of B or better as established by A. M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.
- (b) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
- (c) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.
- (d) All insurance policies shall be reviewed annually by one or more qualified persons.
- (e) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, the Declarant, and their respective tenants, servants, agents, and guests;
 - (ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be canceled, invalidated, or suspended on account of any one or more individual Owners;

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

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

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

Section 2. Property Insured By Association: Damage and Destruction. Immediately after the damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least sixty-six (66%) percent of the total Association vote entitled to vote thereon, the Owner(s) of the damaged property, if any, and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof, the Declarant, otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however such extension shall not exceed one hundred and twenty (120) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

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

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

Section 3. Property Insured By Owners: Damage and Destruction. By virtue of taking title to property within the Community, each Owner covenants and agrees with all other Owners and with the Association that in the event that the Association does not carry insurance on the Owner's property, each individual Owner shall carry liability and casualty insurance or cause such insurance to be carried by another entity, such as a condominium association or homeowners association. Each individual Owner further covenants and agrees that in the event of a partial loss of damage and destruction resulting in less than total destruction, the individual Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct, the individual Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

Section 4. Insurance Deductible. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the Persons who are responsible hereunder, or under any declaration or contract requiring the Association to obtain such insurance, for maintenance of the damaged or destroyed property.

Article IX Condemnation

Whenever all or any part of the Common Property shall be taken (or conveyed in lieu of and under threat of condemnation by the Board, acting on its behalf or on the written direction of all Owners subject to the taking, if any) by any authority having the power of condemnation or eminent domain, the Association shall represent the Owners. The award made for such taking shall be payable to the Association as trustee for all Owners. The provisions of Article VIII, Section 2, above, applicable to Common Property improvements damage or destruction, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE X Annexation of Additional Property

Section 1. Unilateral Annexation by Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time until fifteen (15) years after the recording of this Declaration to subject all or any portion of the real property described in Exhibit "C", attached

hereto and by reference made a part hereof, (sometimes the "Additional Property") and as it may be amended from time to time, to the provisions of this Declaration and the jurisdiction of the Association by filing for record a Supplementary Declaration in respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided therein.

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

Section 2. Exhibit "C": Real Property Amendment. Subject to the consent of the owner or owners thereof and, so long as the Declarant has the right to subject additional real property as described in Exhibit "C" (as it may be amended from time to time as herein provided) to this Declaration as provided above, with the consent of the Declarant, upon the affirmative vote of at least a majority of the Board of the Association, in person or by proxy, at a meeting duly called for such purpose, the Association may amend Exhibit "C" real property to include such additional real property as may meet the above described requirements by filing for record a Supplementary Declaration with respect to the property being annexed included by amendment to Exhibit "C" Real Property. Any such Supplementary Declaration shall be signed by the President and Secretary of the Association, and any such annexation amendment shall be effective upon the filing for record of such Supplementary Declaration, unless otherwise provided therein.

Section 3. Withdrawal of Property. The Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the properties from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Community. Such amendment shall not require the consent of any Person other than the Owner of the Property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

ARTICLE XI

Mortgagee Provisions

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

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

- (a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;
- (b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;
- (c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) any proposed action which would require the consent of a specified percentage of eligible holders.

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

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection);
- (b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Lot (A decision, including contracts, by the Board or provisions of any Supplementary Declaration regarding assessments for Parcels or other similar areas shall not be subject to this provision where such decision or Supplementary Declaration is otherwise authorized by this Declaration.);
- (c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Residences and of the Common Property (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

- (d) fail to maintain insurance, as required by this Declaration; or
- (e) use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

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

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

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

Section 5. Amendment by Board. Should the Veterans Administration, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendments to this Article to be recorded to reflect such changes.

Section 6. Veterans Administration Approval. Intentionally Omitted.

Section 7. Applicability of Article XI. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Alabama law for any of the acts set out in this Article.

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

ARTICLE XII Easements

Section 1. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or

portions of the Common Property adjacent thereto or as between adjacent Lots due to the placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Occupant, or the Association. Furthermore, the Declarant does hereby establish and declare a permanent and perpetual reciprocal appurtenant easement for encroachments of up to 12 inches (measured from the common property line of all Lots) for any fence constructed on any Lot.

Section 2. Easements for Use and Enjoyment of Common Property. Subject to Section 8 of this Article, every Member shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to his property, subject to the following provisions:

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

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

(c) the right of the Board to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within the Community (Any provision in this Declaration or in any such Mortgage given by the Board to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Owner, or the holder of any Mortgage, irrespective of when executed, given

by Declarant or any Owner encumbering any Lot or other property located within the Community.); and

(d) the right of the Board to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least a Majority of the Association, in person or by proxy, at a meeting duly called for such purpose (or, if a meeting is not called, upon the affirmative vote of at least a Majority of the votes cast in a referendum on the issue) and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof, by the Declarant.

An Owner's right of use and enjoyment in and to the Common Property and facilities locate thereon shall extend to the members of his family and guests. Land Owner shall be deemed to have made a delegation of all such rights (except for the right of ingress and egress to the Owner's property) to the Occupants of any leased Residence.

Upon the affirmative vote of the Majority of the Association vote present, in person or by proxy, at a meeting duly called for such purpose (or, if a meeting is not called, upon the affirmative vote of at least a Majority of the votes case in a referendum on the issue) and, so long as the Declarant has an option unilaterally to subject additional Property to this Declaration as provided in Article X hereof, the consent of Declarant, the Board may alter the use of any Common Property. For example, and by way of illustration and not limitation, the Board may convert tennis courts into a basketball court or vice versa.

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

Section 3. Reserved Easements for the Provision of Services to the Community. There is hereby reserved to the Declarant, its successors and assigns blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, maintaining, and removing rights-of-way, drainage facilities, flood way easements, and all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, and any other similar service such as, but not limited to, a master television antenna system, cable television system, video system, or security system which the Declarant might decide to have installed to serve the Community or any portion thereof. It shall be expressly permissible for the Declarant and its successors and assigns to install, repair, replace, maintain, and remove or to authorize the installation, repair, replacement, maintenance, or removal of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Declarant and its successors and assigns shall full rights of ingress and egress at all times over all portions of the Community for the installation, operation, maintenance, repair, or removal of any of the foregoing utilities or services and shall have the right to remove any unauthorized obstruction placed in or on any of the foregoing easements that would, in the sole discretion of

Declarant or its successors and assigns, interfere with the use of the above installation of the foregoing utilities or services. In no event shall the foregoing prohibit paving or landscaping within such easements. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies, quasi-public service companies, or relevant governmental authorities. All utilities except drainage installed within the above described easements shall be installed underground. This reserved easement may be assigned by Declarant by written instrument to the Association, and the Association shall accept such assignment upon such terms and conditions as are acceptable to Declarant. Rights exercised pursuant to such reserved easements shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 4. Reservation of General Access Easement. Declarant does hereby establish and reserve for itself, the ARC, and the Association, their respective agents, employees, representative, invitees, successors and assigns, a permanent and perpetual nonexclusive easement over, across, through and upon each Lot for the purpose of providing ingress to and egress from each Lot for (a) inspecting each Lot and any Improvements thereon in order to determine compliance with the provisions of these Covenants, and (b) the performance of the respective duties of Declarant, the ARC, and the Association hereunder, including, without limitation taking any action required or permitted to be taken by Declarant, the ARC or the Association pursuant to any of the terms or provisions of these Covenants; provided, however, that upon completion and occupancy of any Lot, 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 directly affected thereby.

Section 5. Easement for Lake Maintenance. Declarant hereby expressly reserves a perpetual easement for the benefit of Declarant and its successors and assigns, across such portions of the Community, determined in the sole discretion of Declarant (or its successors and assigns), as are necessary to allow for the maintenance of a lake(s), lakebed(s) and shoreline(s), if any, which are within the Community or which are made available for the use and enjoyment of Owners and Occupants within the Community. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of property adjacent to the lake(s), reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. In order to allow the exercise of the rights created pursuant to this easement, no tree or structure may be placed within fifteen (15) feet of the line formed by the highest normal pool elevation of any lake without the prior written approval of the Board or its designee.

Section 6. Easement for Property Maintenance Along Lake. Every Lake Lot Owner shall have a right and easement of access to that property located between a lake and the property line of such Lake Lot Owner as needed to perform the maintenance required under Article V.

Section 7. Reservation of Easements With Respect to Common Areas.

(a) **Easement Upon Common Areas.** Declarant does hereby establish and reserve, for itself, the ARC, the Association, 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 for the purpose of (i) constructing, installing, repairing and replacing any Improvements to the Community or to 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 Declarant to undertake any of the foregoing. In addition to the other rights and easements established and reserved herein and regardless of whether Declarant continues to own any portion of the Property, Declarant hereby establishes and reserves for itself and its successor and assigns, a permanent and perpetual, nonexclusive easement to have access, 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 Declarant deems appropriate; provided, however, that Declarant should not exercise such rights so as to unreasonably interfere with the rights of the Owners to use the Common Areas.

(b) **Changes in Common Areas.** Declarant 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, any Lots, or other portions of the Community or of the Development owned by Declarant. Declarant 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 portion of the Development, the Community, or any Improvements thereto to be utilized as Common Areas, as Declarant, in its sole discretion, may determine.

Section 8. Reservation of Maintenance Easement. Declarant does hereby establish and reserve for the Association, and each of their respective agents, employees, successors and assigns, a permanent and perpetual right and easement to enter upon any Lot for the purpose of 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 within the Community; provided, however, that such easement shall not impose any duty or obligation upon Declarant or the Association to perform any of the foregoing actions and provided further that Declarant or the Association shall be entitled to be reimbursed by the Owner of such Lot for the same.

Section 9. Landscaping by Owners on Easement Areas. The Declarant, the Association, any Governmental Authority, any utility company, 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 within the Community by any Owner, Occupant or any other party.

Section 10. Easement for Special Events. Declarant hereby reserves for itself, its successors, assigns and designees a perpetual, non-exclusive easement over the Common Area for

the purpose of conducting educational, cultural, entertainment, or sporting events, as well as activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Lot to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

Section 11. Surface Water and Stormwater Management System. The Association shall have the right to maintain and cause all Owners to maintain proper drainage within the Community in accordance with the stormwater drainage plan approved by the applicable Governmental Authorities having jurisdiction over the Community, as the same may be amended from time to time. In the exercise of this right, the Association shall have a blanket easement, less and except the footprint of the Dwelling erected on any Lot, and right on, over, across, under and through all portions of the Community to maintain and to correct drainage of surface water; provided, however, that each Owner shall be solely responsible for providing and maintaining adequate soil erosion measures and drainage facilities on such Owner's Lot and neither the Association nor the Declarant shall, by virtue of the reservation of the foregoing easement, be under any obligation to provide or connect any stormwater or surface drainage improvements or facilities on any Lot. The foregoing easement includes the right to cut any trees, bushes or shrubbery, grade soil, or to take any other action reasonably necessary for health or safety or to comply with Governmental Regulations; provided, however, that neither the Declarant nor the Association shall be obligated to undertake any of the foregoing actions. Notwithstanding the foregoing, each Owner shall provide and maintain on his or her Lot adequate soil erosion measures and drainage facilities to accommodate any stormwater runoff from and coming onto such Owner's Lot or resulting from any Improvements being or having been constructed on such Owner's Lot. Each Owner shall also insure that his or her Lot and any Improvements thereto are at all times in strict compliance with (a) all soil erosion protection requirements of all applicable Governmental Authorities, (b) all stormwater drainage and runoff requirements and regulations of all applicable Governmental Authorities and (c) all other Governmental Regulations. **Each Owner, by acceptance of a deed to his or her Lot, shall and does hereby indemnify, defend and agree to hold the Declarant, the Architectural Review Committee, the Association, and their respective agents, employees, officers, directors, shareholders, members, managers and representatives, harmless from and against any and all fines, penalties, costs and expenses, including court costs and reasonable attorneys' fees, and any and all other amounts suffered, paid or incurred by any of them in connection with any action, suit or proceeding (including the settlement of any suit or proceeding) to which any such person may be made a party by reason of breach by such Owner (or any breach by such Owner's Occupants, contractors, subcontractors, guests, agents, employees, or invitees) of any of the terms and provisions of this Section.**

ARTICLE XIII

General Provisions

Section 1. Enforcement. Each Owner and every Occupant shall comply strictly with the By-Laws, the rules and regulations, the use restrictions and with the design guidelines, all as may be amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration, as may be amended from time to time, and in the deed to his or her property within the Community, if any. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the By-Laws, the rules and regulations, use restrictions, or design guidelines shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or, in a proper case, by an aggrieved Owner or Occupant. Furthermore, the Board shall be entitled to recover costs and reasonable attorney's fees from the Owner and/or Occupant upon being the substantially successful party in any litigation resulting from an Owner and/or Occupant failing to comply with this Declaration in any material respect. Failure by the Board or any Owner or Occupant to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of violation of the Declaration, By-Laws, and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

Section 2. Self-Help. In addition to any other remedies provided for herein, the Board or its duly authorized agent shall have the power to enter upon a Lot or any portion of the Community to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the By-Laws, the rules and regulations, the use restrictions, or the design guidelines. Except in the case of emergency situations and towing, the Board shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs incurred shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Section 3. Term. The terms, covenants, conditions and restrictions set forth in these Covenants shall run with and bind all of the Community, 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 ninety-nine (99) years from and after the date hereof, after which time these Covenants shall be automatically renewed and extended for successive and continuous periods 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 three-fourths (3/4) or more of the Lots within the Property agreeing to terminate or modify these Covenants has been recorded in the Probate Office of Madison County, Alabama; provided, however, that the rights of way and easements established, granted and reserved in Article XII hereof shall continue and remain in full force and effect for the time periods and duration specified therein.

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

Section 4. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; © if such amendment is required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, without limitation the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or a State or National Bank, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's property unless any such Owner shall consent thereto in writing. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration as provided in Article X hereof, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not adversely affect title to the property of any Owner without the consent of the affected Owner or Occupant.

Furthermore, so long as Declarant owns any Lot within the Community, or until such earlier date as Declarant elects, in Declarant's sole discretion, **Declarant may amend these Covenants by a written instrument** filed and recorded in the Probate Office of Madison County, Alabama, **without obtaining the approval of any Owner or Mortgagee**; provided, however, (a) in the event any amendment proposed by Declarant materially and adversely alters or changes any Owner's rights to the use and enjoyment of his or her Lot or materially or 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 Declarant who shall have the voting rights attributable to any Lots owned by Declarant), or (b) in the event any such proposed amendment by Declarant would materially and adversely affect the title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees affected thereby. Any amendment made pursuant to this Section shall be certified by Declarant and shall be effective upon recording of the same in the Probate Office of Madison 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 and further agrees that, if requested to do so by Declarant, such Owner and Mortgagee will consent to the amendment of these Covenants or any other instruments relating to the Community or the Association if such amendment is (i) necessary to bring any provision hereof into compliance or conformity with the provision 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 Mortgagee in order to enable such 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 Community.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a two-thirds (2/3) vote of the total Association vote entitled to vote thereon or three-fourths (3/4) of the Board and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof, the consent of the Declarant. In the event of a conflict between the Board and the Association, the Boards decision controls. A meeting may be called (but shall not be required to be called) to consider and vote upon any amendment. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

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

Notwithstanding anything contained herein to the contrary, any amendment which affects the maintenance of the Common Property must be approved by the City of Huntsville, Alabama.

Section 5. Partition. The Common Property shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community, the written consent of all holders of all Mortgages encumbering any portion of the property located within the Community, and, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X hereof, the consent of the Declarant.

Section 6. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 7. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 8. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 9. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 10. Indemnification. The Association shall indemnify every officer, director, ARC and other committee member, as well as former officers, directors, and ARC and other committee members, against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer, director or ARC or other committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or ARC or other committee member. The officers, directors and ARC or other committee member shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors ARC or other committee member shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that they may also be Members of the Association), and the Association shall indemnify and forever hold each such officer, director and ARC or other committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, committee member, or former officer, director or committee member, may be entitled under the Articles, By-Laws, contract, or otherwise. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Section 11. Construction and Sale Period. Notwithstanding any provisions contained in this Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until Declarant's right unilaterally to subject property to this Declaration as provided in Article X terminates, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Community as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such builder's or developer's development, construction, and sales activities related to property described on Exhibit "B" and Exhibit "C", as it may be amended from time to time, to this Declaration, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Community; the right to tie into any portion of the Community with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to carry on sales and promotional activities in the Community, including directional and sales signs in the common areas; and the right to construct and operate business offices, signs, banners, flags, construction trailers, sales offices, model residences with fences, gates and walkways, and hold

open houses and Parades of Homes for the public. Declarant and any such builder or developer may use Residences or offices owned or leased by Declarant or such builder or developer as model Homes and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 12. Books and Records. This Declaration, the By-Laws, the Articles of Incorporation, copies of rules and regulations, use restrictions, design guidelines, membership register, and minutes of meetings of the Members, or the Board and of committees shall be made available for inspection and copying by any Member of the Association or by his duly appointed representative and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a purpose reasonably related to his or her interest as a Member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

The Board shall establish reasonable rules with respect to:

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

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 13. Audit. An audit of the accounts of the Association may be made annually in such manner as the Board may decide. Upon written request of any institutional holder of a first Mortgage, such holder, upon payment of the costs associated therewith, shall be entitled to receive a copy of a financial statement within ninety (90) days of the date of the request.

Section 14. Notice of Sale. If an Owner sells his or her Lot, the Owner shall give to the Board, in writing, the name of the purchaser of the Lot and such other information as the Board may reasonably require.

Section 15. Estoppel Certificate. Upon the request of any Member, the Board or its designee shall furnish a written certificate signed by an officer or agent of the Association regarding unpaid assessments levied against that Member's property and any violations of the Declaration, By-Laws, use restrictions, rules and regulations, or design guidelines by any Owner or Occupant of such property. Such certificate shall bind the Association with respect to the foregoing matters. The

Association may require the advance payment of a processing fee not to exceed Twenty-five (\$25.00) Dollars for the issuance of each such certificate.

Section 16. Agreements. Subject to the prior approval of Declarant, so long as the Declarant has an option unilaterally to subject additional property to this Declaration as provided in Article X above, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and other having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

Section 17. Implied Rights. The Association may exercise any right or privilege given to it expressly by the Declaration, the By-Laws, the Articles of Incorporation, any use restriction or rule, the design guidelines and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

Section 18. Deviations. The Board or its designee or the Declarant so long as the Declarant has an option to subject additional property to the declaration as provided in Article X above, may, in the exercise of its discretion, permit deviations from the restrictions contained in this Declaration, the By-Laws, the rules and regulations, the use restrictions, and the design guidelines.

Section 19. Use of Words "LEGENDWOOD". No Person shall use the words "LEGENDWOOD" in the name of any commercial or residential building or any commercial or residential business or enterprise or in any printed or promotional material without the prior written consent of the Declarant. However, Owners or Occupants may use the term "LEGENDWOOD" in printed or promotional matter where such term is used solely to specify that particular property is located within LEGENDWOOD.

Section 20. Counsel. The drafter of this Declaration, the Articles and the By-Laws, prepared said instruments on behalf of the Declarant and not for the benefit of future Owners.

ARTICLE XIV ADDITIONAL SPECIFIC RIGHTS OF DECLARANT

Section 1. Right of Declarant to Modify Restrictions to Lots Owned by Declarant. With respect to any Lot owned by Declarant, Declarant may, by deed, contract or other instruments filed for the record in the manner specified by law, modify the provisions of these Covenants as the same apply to any such Lot, including but not limited to, the withdrawal of any such Lot from the operation and effect of these Covenants.

Section 2. Development of Property. Subject to the approval of any Governmental Authority with appropriate jurisdiction, Declarant shall have the right, but not the obligation, for so

long as Declarant owns any portion of the Community, or until such earlier date as Declarant elects in its sole discretion to relinquish such right, to make improvements and changes to all Common Areas and to all Lots owned by Declarant, 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 owned by Declarant or of the Common Areas, (iii) installation of any water, sewer and any other utility systems and facilities within the Common Areas, or (iv) any other change or Improvement to any portion of the Common Areas or to the Lots owned by Declarant.

Section 3. Subdivision Plat. Declarant reserves the right to record, modify, amend, revise and otherwise add to, at any time and from time to time, a subdivision plat setting forth such information as Declarant may deem necessary with regard to the Community, including without limitation, the locations and dimensions of all Lots, Common Areas, public or private roads, utility systems, drainage systems, utility easements, drainage easements, access easements, setback line restrictions, retention ponds and drainage basins. Any such subdivision plats or any amendments thereto shall be binding on the portions of the Community indicated thereon as if such subdivision plat were specifically incorporated into these Covenants. Notwithstanding anything provided to the contrary in these Covenants, Declarant may at any time or from time to time divide and re-divide, combine and re-subdivide any Lots owned by Declarant and change any easement description or relocate any roads affected thereby, subject to approval of any Governmental Authority having jurisdiction thereof.

Section 4. Board. The Board of Directors shall have the rights and duties set forth in the Articles of Incorporation and the Bylaws. Declarant hereby retains and shall have the right to appoint or remove, with or without cause, any member or members of the Board of Directors and any officer or officers of the Association until such time as Declarant no longer owns any Lot in the Community, or until such earlier date as Declarant elects, in Declarant's sole discretion, to relinquish such right, except as may be provided otherwise in the By-laws. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove members of the Board and officers of the Association as provided by this Section 4.

Section 5. 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 COMMUNITY, DECLARANT HEREBY RETAINS THE RIGHT TO APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD OF THE ASSOCIATION AND ANY OFFICER OR OFFICERS OF THE ASSOCIATION AS PROVIDED BY AND FOR THE PERIOD OF TIME SET FORTH ABOVE. Each Owner, by acceptance of a deed or other conveyance of any interest in a Lot, agrees that Declarant 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 5 and the provisions above. At such time as Declarant no longer owns any interest in any portion of the Community, or at such earlier date as Declarant elects, in Declarant's sole discretion, 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 Declarant

shall deliver all books, accounts and records of the Association, if any, which Declarant has in its possession.

Section 6. Standards for Review. Whenever in this Declaration, the Declarant, the Architectural Review Committee, or the Association have the right to approve, consent to, or require any action to be taken pursuant to the terms or provisions 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 the Declarant, the Architectural Review Committee, or the Association, as the case may be.

Section 7. Builder Approval. Subject to the remaining terms and provisions of this Section, only Builders who are authorized or allowed to build, renovate, improve or refurbish Dwellings within the Community. Approved Builders must comply with all construction regulations of the Architectural Review Committee, including, specifically, building in accordance with the plans and specifications approved by the Architectural Review Committee and compliance with all the terms and provisions of the Declaration. Approved Builders must post a deposit for compliance and damages, the amount of which shall be determined from time to time by the Architectural Review Committee. To the extent any Approved Builder fails to comply with all of the requirements of the Architectural Review Committee or the Declaration, such failure to comply may result in fines, forfeiture of the deposit and revocation of the right to build in the Community and removal from the Approved Builder list. The Declarant is not responsible for any claims relating to the construction of the any Improvements; such claims are solely the responsibility of the individual builder. No home may be constructed in the Community unless a Builder is responsible for the supervision of the construction. The intent of this provision prohibits individual Owners from constructing their own Residence without the assistance of a licensed builder.

Section 8. Repurchase Option.

(a) Repurchase Option/ Payment of Resale Proceeds. In the event (I) any Owner desires to sell, transfer, or convey his, her, or its Lot to any third party prior to the completion of a Dwelling thereon; or (ii) any Owner fails to commence construction or complete construction on such Owner's Lot within the time period set forth below, then, in either such event, the Declarant does hereby reserve the right, at its option (but without any obligation), to either (1) repurchase such Lot (the "Repurchase Option") in accordance with the terms and provisions set forth below or (2) elect to participate in any sales proceeds received by such Owner from the transfer, sale or conveyance of such Owner's Lot in accordance with the terms and provisions of Section 7(d) below.

(b) Time Limits for Commencement and Completion of Construction. Unless otherwise agreed to in writing by the Declarant, each Owner shall:

(I) Within twelve (12) months from the date on which such Owner purchases a Lot from

Declarant (as evidenced by the date on the deed to such Lot from the Declarant to such Owner) submit to the Architectural Review Committee the plans and specifications required by the Architectural Review Committee;

(ii) Within eighteen (18) months from the date on which such Owner purchases a Lot from the Declarant, commence construction of a Dwelling on such Lot in accordance with the plans and specifications therefore which have been approved by the Architectural Review Committee;

(iii) Following commencement of construction, each Owner agrees to diligently pursue such construction to completion; and

(iv) Substantial completion of the Dwelling must occur on or before twelve (12) months following the date on which the Architectural Review Committee has approved the plans and specifications for such Dwelling.

As used herein, the term "commence construction" shall mean the commencement by such Owner of construction of the Dwelling on such Lot by substantially clearing, grading and excavating such Lot and otherwise commencing to make other improvements to such Lot such as, but not limited to, pouring of footings and foundations and commencement of framing work. If, at any time after an Owner has commenced construction, such Owner fails to make significant construction progress during any 30-day period, such failure shall be considered to be a failure to diligently pursue construction progress as required by the terms and provisions herein. Notwithstanding anything provided in this Section 7 to the contrary, all of the time periods specified in this Section shall be extended for casualty, extreme material shortages, inclement weather conditions that are not normal or customary for the time of year during which construction of such Dwelling is being undertaken and any other significant matters beyond the reasonable control of the Owner or his or her builder; provided, however, that no extension shall be granted as a result of an inability to obtain financing or funding for the construction of such Dwelling.

© Exercise of Repurchase Option. In the event any Owner fails to commence, diligently pursue or complete construction of a Dwelling on his or her Lot in accordance with the requirements of Section 7 above, then the Declarant shall have the right, at any time after such expiration of any time periods set forth above, to provide written notice to such Owner exercising the Repurchase Option in accordance with the remaining terms and provisions of this paragraph. The consummation of the Repurchase Option by the Declarant shall occur no later than thirty (30) days after the Declarant has given written notice to such Owner of the Declarant's election to exercise the Repurchase Option. At the closing of the purchase and the sale of any Lot which is being repurchased by the Declarant by virtue of the terms and provisions of this paragraph, the Owner of such Lot subject to such Repurchase Option shall transfer and convey the Lot subject to such Repurchase Option to the Declarant by statutory warranty deed, free and clear of all liens, encumbrances and any other matters of title other than those matters of record in existence as of the date on which such Lot was originally conveyed by the Declarant to such Owner. Such Owner shall,

at his or her sole cost and expense, be obligated to pay all sums and otherwise take all other action necessary or required to remove any and all liens, encumbrances and other title matters and exceptions encumbering such Owner's Lot other than any such liens, encumbrances and other title matters and exceptions in existence as of the date on which such Lot was originally acquired by such Owner from the Declarant. Contemporaneously with the delivery of the deed by such Owner to the Declarant, the Declarant shall pay to such Owner the Original Purchase Price, as defined below, paid by such Owner to the Declarant (or if such Owner has acquired his or her Lot from a previous Owner other than the Declarant, then the Declarant shall pay to such current Owner the Original Purchase Price paid to the Declarant by the first or original Owner of such Lot), in each case, without interest thereon. The Owner of such Lot subject to the Repurchase Option shall pay, prior to delivery of the Deed to the Declarant, any and all outstanding Assessments and any other charges due and owing under this Declaration. Real estate ad valorem taxes and any prepaid Assessments shall be prorated as of the date of delivery of such Deed.

(d) Sale of Lot Prior to Completion of Dwelling. In the event the Owner of any Lot desires to sell, transfer, or convey his or her Lot to any third party prior to Substantial Completion, as defined above, of a Dwelling thereon, then the Declarant shall have the right, at its option, to either (i) exercise the Repurchase Option and repurchase the Lot in accordance with the terms and provisions of Section 7© above or (ii) elect, in writing, to waive its Repurchase Option, in which event the Declarant shall be entitled to receive twenty-five percent (25%) of the Net Profit, as herein defined, received by such Owner from the resale of such Lot, which amount will be due and payable in full upon the transfer and sale of any Lot by such Owner to any third party, which obligation shall be a personal obligation of the Seller of such Lot (the "Sales Participation Option"). As used in this paragraph, the following terms shall have the following meanings:

(1) "Net Profit" means the gross resale price, as herein defined, for such Lot, less the Original Purchase Price, as herein defined, for such Lot;

(2) "Gross Resale Price" means the total amount paid to such Owner by a third party purchaser in connection with the resale of such Owner's Lot, including compensation in any form paid to such Owner regardless of whether the same is reflected in the Gross Sale Price for such Lot, but without deduction for any costs of sale, proration or other deductions from the Gross Resale Price received by Owner in any such resale; and

(3) "Original Purchase Price" means the gross amount originally paid by such Owner to the Declarant for such Lot (increased by the costs or fair market value, whichever is less, of any improvements made by the then current Owner to such Lot in accordance with plans approved by the Architectural Review Committee) but without deduction for any costs of sale, proration or other adjustments to the Original Purchase Price paid by such Owner to Declarant for such Lot.

(e) Subordination of Mortgage The Repurchase Option retained and reserved by the Declarant under the provisions of Sections 7(a) and 7© shall be and are subject and subordinate to the rights of any Mortgagee under any Mortgage that was duly recorded in the Probate Office prior to the exercise of the Repurchase Option by the Declarant.

(f) Enforcement The Repurchase Option and the Sales Participation Option of the Declarant set forth herein may be enforced by the Declarant by an action for specific performance. In the event any Owner fails to timely and promptly perform of all of such Owner's obligations set forth in this Section 7 with respect to the exercise by the Declarant of the Repurchase Option or the Sales Participation Option, such owner shall also pay to the Declarant any and all costs and expenses incurred by the Declarant in enforcing the terms and provisions of this Section 7 including, without limitation, reasonable attorney's fees and expenses and court costs. The Repurchase Option and Sales Participation Option shall be and are covenants running with the land which shall be binding on the Owner of each Lot and such Owner's heirs, executors, successors and assigns.


IN WITNESS WHEREOF, the undersigned, Greystone Development, Inc., an Alabama corporation, has caused this instrument to be executed on this the 7th day of December, 2005, and Greystone Custom Homes, Inc., as an owner of one or more Lots in the Community, and Compass Bank, as Mortgagee, hereby ratify the same.

GREYSTONE DEVELOPMENT, INC.

By: 
Its: Vice President


RATIFIED BY MORTGAGEE:

COMPASS BANK

By: 
Its: Vice President

and by

GREYSTONE CUSTOM HOMES, INC.

By: 
Its: Vice President

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned Notary Public in and for said county and state, hereby certify that Mary E. Holman, whose name as Vice President of Greystone Development, Inc., an Alabama corporation, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 7th day of December, 2005.

[Signature]
Notary Public
My Commission Expires: 2-3-07

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned Notary Public in and for said county and state, hereby certify that Mary E. Holman, whose name as Vice President of Greystone Custom Homes, Inc., an Alabama corporation, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 7th day of December, 2005.

[Signature]
Notary Public
My Commission Expires: 2-3-07

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned Notary Public in and for said county and state, hereby certify that Shane Parker, whose name as Vice President of Compass Bank, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 17th day of December, 2005.

[Signature]
Notary Public
My Commission Expires: 9/17/2007

EXHIBIT "A"

Definitions

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

(a) **"Articles of Incorporation"** shall mean the Articles of Incorporation of Legendwood Owners Association, as such document may be amended.

(b) **"Association"** shall mean and refer to Legendwood Owners Association, a nonprofit, non-stock, membership corporation incorporated under the laws of the State of Alabama, its successors and assigns.

(c) **"Association Expenses"** shall mean and include the actual and estimated expenses of operating the Association, both for general and Parcel purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to the Declaration, the By-Laws, and the Articles of Incorporation.

(d) **"Board of Directors"** or **"Board"** shall mean the governing body of the Association, and the Board shall have such duties as are provided in the Declaration, the By-Laws, the Articles of Incorporation, and the Alabama Nonprofit Corporation Act.

(e) **"By-Laws"** shall refer to the By-Laws of Legendwood Owners Association, as such document may be amended from time to time.

(f) **"Certificate of Occupancy"** shall mean any required certification issued by the appropriate governmental authorities as a prerequisite to occupancy of any Lot.

(g) **"Common Areas"** The term "Common Areas" and/or "Common Property" shall mean and refer to all real and personal property now or hereafter owned by the Association for the nonexclusive, common use and enjoyment of the Owners and Occupants. The Common Areas shall include (a) all signage, street lights, lighting, walkways, paths, bicycle and jogging paths or lanes, if any, improvements, landscaped or other areas of common use, (b) all storm drains and sewers, drainage and/or watershed protection areas located within the Community (other than such areas located solely within the boundary lines of any Lot), (c) 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 on more than one Lot, and (d) all easements and easement areas within the Community (other than such areas located solely within the boundary lines of any Lot), and any other areas or Improvements on or within the Community which are designated as Common Areas by Declarant or the Board 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. The designation of any real estate on any recorded plat shall not be a dedication to the Association. Such dedication may only take place upon the execution and recording of a deed, or quit claim deed, from the Declarant to the Association.

(h) **"Community" and or "Property"** shall mean and refer to that certain real property and interests therein described in Exhibit "B", attached hereto, and such additions thereto of other real property as may be made by the Association by Supplementary Declaration.

(I) **"Community-Wide Standard"** shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association and by committees required or permitted to be established pursuant to the Declaration and By-Laws. Such determination, however, must be consistent with the Community-Wide Standard originally established by the Declarant.

(j) **"Declarant" and or "Developer"** shall mean and refer to GREYSTONE DEVELOPMENT, INC., and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit "B", attached hereto, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance; provided, further, upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "B" attached hereto, which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one point in time.

(k) **"Declaration" and or "Covenants"** shall mean the Declaration of Protective Covenants for Legendwood, as such document may be amended.

(l) **"General Assessments"** shall mean assessments levied for Association Expenses determined by the Board to benefit all Owners and Occupants.

(m) **"Governmental Authority"** The term "Governmental Authority" shall mean 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.

(n) **"Improvements"** The term "Improvement" shall mean and refer to all dwellings, any building, structure, planting or device constructed, erected or placed upon any Lot or Common Area which in any way affects the exterior appearance of any Lot or Common Area. Improvements shall include, by way of illustration and not limitation, buildings, sheds, foundations, covered patios,

underground utilities, septic tanks, roads, driveways, walkways, paving, curbing, parking areas, trees, shrubbery, landscaping, fences, screening, walls, signs, and any other artificial or man-made changes or alterations to the natural conditions of any Lot.

(o) **"Lot"** The term "Lot" shall mean and refer to any portion of the Community which will be owned in fee simple by an Owner. Upon the recordation of any subdivision plat for the Community, each lot indicated thereon shall be deemed a Lot for purposes of these Covenants.

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

(q) **"Member"** shall mean a Person that is a member of the Association as provided in the Declaration.

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

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

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

(u) **"Owner"** The term "Owner" shall mean and refer to the record owner, including Declarant, of fee simple title to any Lot, 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 (ii) any lessee, purchaser, contract purchaser or vendor who has an interest in any Lot solely by virtue of a lease, contract, installment contract or other agreement.

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

(w) **"Residence"** shall mean a portion of the Community designated on an approved layout plan or subdivision plat, as more particularly described below, for any type of independent use and occupancy as a residence by a single family. For example, each single family detached home shall constitute a Residence; each condominium unit in a condominium development shall constitute a Residence; each Apartment Unit in an Apartment Complex shall constitute a Residence; and each townhome or cluster home unit in an attached or semi-attached housing development shall constitute a Residence. The foregoing examples are set out by way of illustration and not in limitation of the term "Residence." Residence shall include all portions of the land owned as well as any structure

thereon, as described above. Except where it is clear that a different usage is intended, references to a Lot shall include the term "Residence." A Residence shall come into existence for the purpose of assessments on the earliest date of the happening of any of the following events: (1) when a Certificate of Occupancy is issued by the proper governing authority; (2) in the case of a Lot in a subdivision, the expiration of one year from the date the subdivision is accepted for maintenance by the proper governing authority, (unless made earlier or later by contract between Declarant and Owner).

(x) **"Residential Use"** The term "Residential Use" shall mean and refer to the occupancy of any Lot for single-family residential housing purposes.

(y) **Rules and Regulations** shall mean and refer to the Rules and Regulations of the Community as adopted by the Board from time to time, which Rules and Regulations are incorporated into and form a part of this Declaration.

(z) **Substantial Completion** of a Dwelling on a Lot shall be deemed to be the time that the applicable Governmental Entity has issued a certificate of occupancy and all landscaping work for the Lot has been completed in accordance with the landscape plan approved by the ARC.

(aa) **"Builder"** shall mean any Person who holds either a general contractor's license or a Homebuilder's license with the State of Alabama.

(bb) **Approved Builder** shall mean those Builders identified, from time to time, by the Declarant during the Class B Member Control Period, or the Board after such time, as being approved to purchase Lots and construct Dwellings for resale in the Community for so long as such persons remain on the approved builder list maintained by the Association and the ARC.

(cc) **Dwelling** shall mean a single family residential home.

(dd) **"LEGENDWOOD"** shall mean "Legendwood Subdivision--AS RECORDED AS INSTRUMENT NUMBER 20051107000756560," along with any and all future phases on property described in Exhibits "B" and "C."

(ee) **"Supplementary Declaration"** shall mean an amendment to the Declaration subjecting additional property to the Declaration and/or modifying the Declaration as to that particular land submitted or still owned by the Declarant.

EXHIBIT "B"

Lots 1 thru 16, according to the final plat for Legendwood Subdivision, Phase I, as recorded in Instrument Number 20051107000756560, Probate Records of Madison County, Alabama

EXHIBIT "C"

All property described in the attached legal descriptions as well as all contiguous properties within a one mile radius of the properties described either in Exhibit "B" or the specific properties set out in this Exhibit "C."

STATE OF ALABAMA
MADISON COUNTY

All that part of the north one-half of the northeast quarter of Section 19, Township 3 South, Range 2 West of the Huntsville Meridian, Madison County, Alabama, according to Deed Book 132, Page 123 and Deed Book 133, Page 367 of the Probate Records of said county, more particularly described as follows:

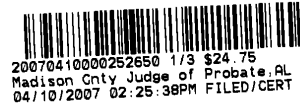
BEGIN at a railroad spike found for the northeast corner of said Section 19, said point is further described as lying in the intersection of two paved public roads known as Balch Road and Capshaw Road;

Thence from said POINT OF BEGINNING, run Due South, the assumed basis of bearings of this survey and description, along the East Boundary of said Section 19 and along the approximate center of said Balch Road, a distance of 1328.44 feet to a 5/8-inch iron rod with a plastic cap stamped DIETERICH PLS NO. 9790 set at the southeast corner of the said north one-half of the northeast quarter of Section 19, from which a railroad spike found for the southeast corner of said Section 19 lies Due South 3985.33 feet;

Thence, leaving said road, South 89 degrees 34 minutes 17 seconds West along the southerly boundary of the said north one-half of the northeast quarter of Section 19, said line delineated by the remnants of an old fence and tree row, for a distance of 2801.16 feet to a 5/8 inch iron rod with a plastic cap stamped DIETERICH PLS NO. 9790 set at the southwest corner of the said north one-half of the northeast quarter of Section 19;

Thence North 0 degree 14 minutes 30 seconds West along the westerly boundary of the said north one-half of the northeast quarter of Section 19, a distance of 1329.66 feet to a 5/8 inch iron rod with a plastic cap stamped DIETERICH PLS NO. 9790 set at the northerly boundary of said Section 19, which is further described as lying in the approximate center of said Capshaw Road;

Thence North 89 degrees 35 minutes 49 seconds East along the said northerly boundary and road centerline, 2806.76 feet to the POINT OF BEGINNING, containing 85.55 acres, more or less.



AMENDMENT TO THE DECLARATION
OF PROTECTIVE COVENANTS
AND
SUPPLEMENTAL DECLARATION FOR
**LEGENDWOOD SUBDIVISION
(PHASE THREE)**

WHEREAS, heretofore on the 7th day of December, 2005, the undersigned, Greystone Development, Inc., an Alabama corporation, as Declarant, did promulgate and file for record a Declaration of Protective Covenants, Restrictions and Easements for Legendwood Subdivision, which said Declaration of Protective Covenants is recorded as Instrument Number 20051207000825740 in the Office of the Judge of Probate of Madison County, Alabama, (the "Declaration").

Whereas, Article X, Section 1, of said Declaration provides that the Declarant may subject additional parcels of real property described in Exhibit "C," of said declaration and may promulgate amendments to the restrictive covenants as provided in Article XIII, Section 4, by filing of such supplemental declarations in the Office of the Judge of Probate of Madison County, Alabama.

NOW THEREFORE, pursuant to the provisions of said Article IX, Section 1, and Article VIII, Section 4, of the Declaration, the undersigned, Greystone Development, Inc., an Alabama corporation, and Compass Bank, as mortgagee, Tim C. Morley and wife, Denise Morley, as owners of Lot 51, Legendwood Subdivision Phase Three, and BancorpSouth as mortgage of Lot 51, do by these presents amend said Declaration in the following manner:

All of the additional property described in attached Exhibit "A," which is incorporated herein by reference, is subject to the restrictions set forth in the Declaration of Protective Covenants Restrictions and Easements as recorded in Instrument Number 20051207000825740, Office of the Judge of Probate of Madison County, Alabama, as may be amended from time to time, which otherwise remain in full force and effect and are hereby ratified and affirmed, **except that the said covenants are amended to provide that the front minimum building line for the lots in the above referenced property shall be 25 feet.**

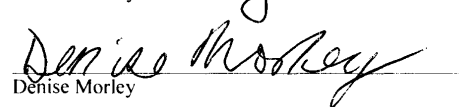
IN WITNESS WHEREOF, the undersigned, Greystone Development, Inc., an Alabama corporation, Tim C. Morley and wife, Denise Morley, as Owners and Compass Bank and Bancorpsouth Bank, as Mortgagees, have caused this instrument to be executed on this the 10 day of April, 2007.

GREYSTONE DEVELOPMENT, INC

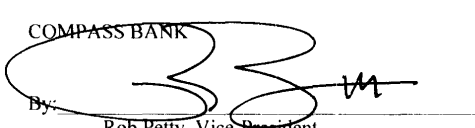
By: 
Mary Elizabeth Holman, Vice-President

Owners of Lot 51:

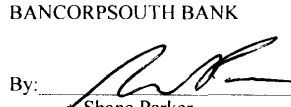
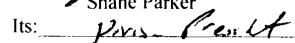

Tim C. Morley


Denise Morley

Ratified By Mortgagee:

COMPASS BANK
By: 
Rob Petty, Vice-President
SR

Mortgagee of Lot 51:

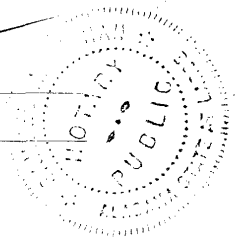
BANCORPSOUTH BANK
By: 
Shane Parker
Its: 

STATE OF ALABAMA
COUNTY OF MADISON

Before me, the undersigned authority, this day personally appeared Mary Elizabeth Holman, whose name as Vice-President of Greystone Development, Inc., an Alabama corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me that, on being informed of the contents of said instrument, she as such officer and with full authority executed the same voluntarily on the day the same bears date in her capacity as such officer and for the act of said corporation.

This the 10 day of April, 2007.


Notary Public
My Commission Expires: 2/2/11

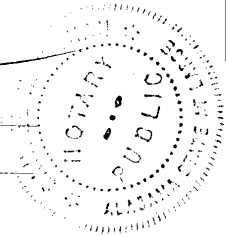


STATE OF ALABAMA
COUNTY OF MADISON

Before me, the undersigned authority, this day personally appeared Rob Petty, whose name as Vice-President of Compass Bank, is signed to the foregoing instrument and who is known to me, acknowledged before me that, on being informed of the contents of said instrument, he as such officer and with full authority executed the same voluntarily on the day the same bears date in his capacity as such officer and for the act of said banking institution.

This the 10 day of April, 2007.

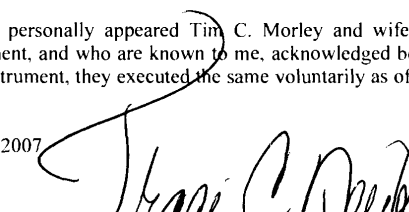

Notary Public
My Commission Expires: 2/2/11



STATE OF ALABAMA
COUNTY OF MADISON

Before me, the undersigned authority, this day personally appeared Tim C. Morley and wife, Denise Morley, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily as of the date hereof.

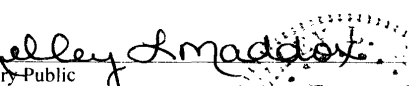
This the 10 day of April, 2007.

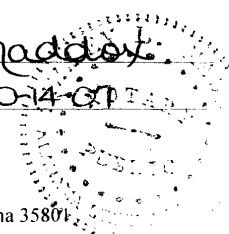

Notary Public
My Commission Expires: 00-09-00

STATE OF ALABAMA
COUNTY OF MADISON

Before me, the undersigned authority, this day personally appeared Shane Parker, whose name as President of Bancorpsouth Bank, is signed to the foregoing instrument and who is known to me, acknowledged before me that, on being informed of the contents of said instrument, he as such officer and with full authority executed the same voluntarily on the day the same bears date in his capacity as such officer and for the act of said banking institution.

This the 10 day of April, 2007.


Notary Public
My Commission Expires: 10-14-07



This Instrument Prepared By:
Samuel H. Givhan, Wilmer & Lee, P.A., 100 Washington Street, Huntsville, Alabama 35801
F:\Sam RESTRICTIONS\legendwood\legendwood iii supplemental restrictions.doc

EXHIBIT A

Lots 46 - 62 according to the plat of Legendwood Subdivision, Phase 3, as recorded as Document Number 20061026000730250, Probate Records of Madison County, Alabama.

20070410000252650 3/3 \$24.75
Madison Cnty Judge of Probate, AL
04/10/2007 02:25:38PM FILED/CERT



20120416000231860 1/5 \$29.75
 Madison Cnty Judge of Probate, AL
 04/16/2012 03:29:33 PM FILED/CERT

STATE OF ALABAMA)
 :
 MADISON COUNTY)

**THIRD AMENDMENT TO THE
 DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS
 FOR LEGENDWOOD SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS: That whereas, the Declaration of Protective Covenants, Restrictions and Easements for Legendwood Subdivision has heretofore been established and filed as Document No. 20051207000825740 in the Office of the Judge of Probate of Madison County, Alabama, for the use and enjoyment of certain lots subject to the Declaration, and further amended in Document Number 20060203000074340 and in Document No. 20070410000252650, in aforesaid Probate Records (collectively, the "Declaration") by the original Declarant **GREYSTONE DEVELOPMENT, INC., an Alabama corporation** ("Greystone"); and,

WHEREAS, Greystone conveyed its remaining interest in Legendwood Subdivision, including all of its rights and privileges as Declarant arising out of said Declaration, to **COMPASS BANK, a banking corporation** ("Compass") by virtue of those certain foreclosure deeds recorded in Document No. 20090130000059240, re-recorded as Document No. 20090203000066840, Document No. 20090130000059250, re-recorded as Document No. 20090203000066830, Document No. 2009030000059260, re-recorded as Document No. 20090203000066850, and Document No. 20090130000059270, re-recorded as Document No. 20090203000066860 in the Office of the Judge of Probate of Madison County; and,

WHEREAS, **WRIGHT HOMES, LLC, an Alabama limited liability company** ("Wright") acquired all that certain property conveyed to Compass by Greystone by virtue of those certain Deeds recorded in Document No. 20111222000702320 and Document No. 20111222000702330 for the purpose of developing and selling such property acquired by Wright; and,

WHEREAS, simultaneously with its conveyance of real property, Compass did convey any Declarant rights owned by it arising out of said Declaration to Wright by virtue of that certain Assignment of Declarant Rights recorded as Document No. 20111222000702350 in the Office of the Judge of Probate of Madison County Alabama; and,

4.00
 12.50
 1.00
 1.25
 12.0

 29.75

WHEREAS, Wright as Declarant has the authority to unilaterally amend the Declaration as provided in Article XIII, Section 4; and,

WHEREAS, the Declaration requires the Architectural Review Committee (herein "ARC") to approve any changes to the Architectural Standards as set out in Article VI, Section 10; and,

WHEREAS, the ARC has been presented with and approved those changes falling under the purview of the ARC to the Declaration set forth below; and,

NOW, THEREFORE, pursuant to the provisions of Article XII, Section 4, and Article XI, Section 10 of the Declaration of Protective Covenants, Restrictions and Easements for Legendwood

Subdivision recorded as Document No. 20051207000825740, and further amended in Document Number 20060203000074340, and further amended in Document No. 20070410000252650, all being filed in the Office of the Judge of Probate of Madison County, Alabama, the undersigned Wright in its capacity as Declarant and with the consent of the ARC, acting within the authority established by said Declaration, does hereby amend the Declaration as follows:

1. Article III, Section 2(b), shall be deleted and the following inserted in lieu thereof:
 - (i) when Declarant no longer owns a Lot in the Community;
 - (ii) when, in its discretion, the Class "B" Member so determines and voluntarily relinquishes such right; or
 - (iii) when the Class "B" Member no longer has a unilateral right to annex Property
2. Article IV, Section 8 shall be amended only as to the amount listed for annual dues. Effective upon recordation, annual dues shall be **\$250.00**.
3. Article IV, Section 9 shall be amended to remove any reference to Compass Bank and insert Bancorpsouth Bank in its stead.
4. Article IV, Section 12 shall be deleted in its entirety.
5. Article VI, Section 4, paragraph 2, first sentence shall be deleted and the following inserted in lieu thereof:

"No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, for a period longer than **three (3)** days if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways."

6. Article VI, Section 10(m) shall be deleted and the following inserted in lieu thereof:

"Unless specifically exempted by the ARC, no Residence may be constructed within the same Phase or within **three hundred (300) feet** (whichever distance is **lesser**) of a Residence, or an approved planned Residence, with the same front elevation."

7. Article VI, Section 18, second sentence shall be deleted and the following inserted in lieu thereof:

"Any fence will be compatible with the home and have architectural interest and **may** include brick or stone columns at the corners."

8. Article VI, Section 26 shall be deleted and the following inserted in lieu thereof:

"**Driveways.** Except as may be permitted by the Board or the ARC, driveways shall be constructed with concrete."

9. Article VI, Section 30 shall be deleted in its entirety.

10. Article VI, Section 32(3)(a), first sentence shall be deleted and the following inserted in lieu thereof:

“The front yard of each lot may be planted with at least two large trees (i,ii,iii) and one small tree (iv, v), to include no more than one evergreen.”

11. Article VI, Section 32(3)(b) shall be deleted and the following inserted in lieu thereof:

“The rear yard maybe planted with at least one large tree (4.i, ii, iii), and one small tree (4.iv, v).”

12. Article VI, Section 36, last sentence shall be deleted and the following inserted in lieu thereof:

“Aluminum siding may be used for any portion of the exterior.”

13. Article VI, Section 38 shall be deleted and the following inserted in lieu thereof:

“**Roof Pitch.** All dwellings shall have a roof pitch of **8/12** or greater on the main roof unless the ARC determines that the period of the home design dictates the use of a different roof pitch.”

14. Article VI, Section 40(a) shall be deleted and the following inserted in lieu thereof:

“Each Dwelling must have either a side or rear entry garage. Front entry garages are prohibited, except that a front entry garage may be allowed if such garage provides a third garage on the Lot so long as the dimensions of such lot do not permit side entry in a manner consistent with local building codes.”

[ALL SIGNATURES APPEAR ON THE FOLLOWING PAGES]

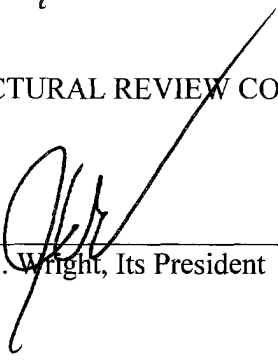
IN WITNESS WHEREOF, the undersigned have executed or caused these presents to be executed by their duly authorized representatives on this the 12th day of April, 2012.

DECLARANT:

WRIGHT HOMES, LLC, an Alabama limited liability company


By James O. Wright, Its Sole Member

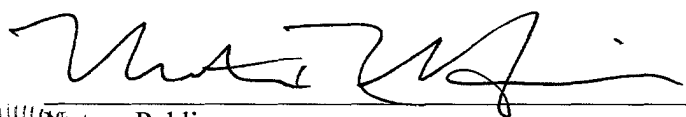
ARCHITECTURAL REVIEW COMMITTEE:


By James O. Wright, Its President

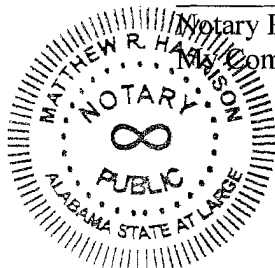
STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, JAMES O. WRIGHT, whose name as Sole Member of WRIGHT HOMES, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he, as such Sole Member, and with full authority, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

Given under my hand and seal this the 12th day of April, 2012.


Notary Public

My Commission Expires: 2/22/2014



STATE OF ALABAMA)
 :
COUNTY OF MADISON)

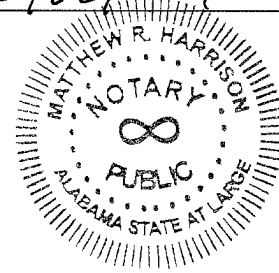
I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, JAMES O. WRIGHT, whose name as President of the ARCHITECTURAL REVIEW COMMITTEE of STONEGATE HOMEOWNERS ASSOCIATION, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known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

Given under my hand and seal this the 12th day of April, 2012.



Notary Public
My Commission Expires: 2/22/2014

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



20120416000231860 5/5 \$29.75
Madison Cnty Judge of Probate, AL
04/16/2012 03:29:33 PM FILED/CERT

20131017000672330 1/7 \$40.75
Madison Cnty Judge of Probate, AL
10/17/2013 10:23:38 AM FILED/CERT

STATE OF ALABAMA)
 :
MADISON COUNTY)

**FOURTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS
AND SUPPLEMENTAL DECLARATION
FOR LEGENDWOOD SUBDIVISION, PHASE 4**

KNOW ALL MEN BY THESE PRESENTS: the Declaration of Protective Covenants, Restrictions and Easements for Legendwood Subdivision has heretofore been established and filed as Document No. 20051207000825740 in the Office of the Judge of Probate of Madison County, Alabama, for the use and enjoyment of certain lots subject to the Declaration, and further amended in Document Number 20060203000074340, Document No. 20070410000252650, and in Document No. 20120416000231860, in aforesaid Probate Records (collectively, the “Declaration”); and,

WHEREAS, the original Declarant, Greystone Development, Inc., an Alabama corporation (“Greystone”), conveyed its remaining interest in Legendwood Subdivision, including all of its rights and privileges as Declarant arising out of said Declaration, to COMPASS BANK, a banking corporation (“Compass”) by virtue of those certain foreclosure deeds recorded in Document No. 20090130000059240, re-recorded as Document No. 20090203000066840, Document No. 20090130000059250, re-recorded as Document No. 20090203000066830, Document No. 2009030000059260, re-recorded as Document No. 20090203000066850, and Document No. 20090130000059270, re-recorded as Document No. 20090203000066860 in the Office of the Judge of Probate of Madison County; and,

WHEREAS, **WRIGHT HOMES, LLC, an Alabama limited liability company** (“Wright”) acquired all that certain property conveyed to Compass by Greystone by virtue of those certain Deeds recorded in Document No. 20111222000702320 and Document No. 20111222000702330 for the purpose of developing and selling such property acquired by Wright; and,

WHEREAS, simultaneously with its conveyance of real property, Compass did convey any Declarant rights owned by it arising out of said Declaration to Wright by virtue of that certain Assignment of Declarant Rights recorded as Document No. 20111222000702350 in the Office of the Judge of Probate of Madison County Alabama; and,

WHEREAS, Article X, Section 1 of said Declaration provides that the Declarant may subject all or any portion of the real property described in Exhibit “C”, of said declaration and may promulgate amendments to the restrictive covenants as provided in Article XIII, Section 4, by filing such supplemental declarations in the Office of the Judge of Probate of Madison County, Alabama.

WHEREAS, **STONERIDGE HOMES, INC.**, an Alabama corporation joins in this Agreement to evidence its consent to the application of the Declaration to lots owned by it in Legendwood Subdivision, Phase 4, specifically Lots 1, 19, 22, 23, 26, 27, 30, 31, 36, 37, and 49; and,

WHEREAS, **BANCORPSOUTH BANK**, joins in this Agreement to evidence its consent to the application of the Declaration to lots on which it has a mortgagee interest owned by it in Legendwood Subdivision, Phase 4, specifically all Lots in Legendwood Subdivision, Phase 4, except Lots 16, 18 and 32.

WHEREAS, REGIONS BANK, joins in this Agreement to evidence its consent to the application of the Declaration to lots on which it has a mortgagee interest in Legendwood Subdivision, Phase 4, specifically Lots 16, 18, and 32.

NOW, THEREFORE, pursuant to the provisions of Article X, Section 1, and Article XIII, Section 4, of the Declaration, the undersigned, **WRIGHT HOMES, LLC, an Alabama limited liability company, STONERIDGE HOMES, INC., an Alabama corporation, BANCORPSOUTH BANK, and REGIONS BANK**, as mortgagee do by these presents amend said Declaration in the following manner:

All of the additional property described in attached Exhibit A, which is incorporated herein by reference, is subject to the restrictions set forth in the Declaration of Protective Covenants, Restrictions and Easements recorded in Document No. 20051207000825740 in the Office of the Judge of Probate of Madison County, Alabama, and further amended in Document Number 20060203000074340, Document No. 20070410000252650, and in Document No. 20120416000231860, in aforesaid Probate Records, as amended from time to time, which otherwise remain in full force and effect and are hereby ratified and affirmed, except that the said covenants are amended to provide that the front minimum building line for the lots in the above referenced property shall be 25 feet.

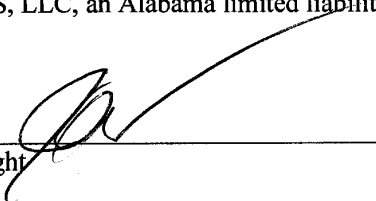
IN WITNESS WHEREOF, **WRIGHT HOMES, LLC, an Alabama limited liability company, STONERIDGE HOMES, INC., an Alabama corporation, BANCORPSOUTH BANK, and REGIONS BANK**, have caused this instrument to be executed on this the ____ day of October, 2013.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK, ALL SIGNATURES APPEAR ON THE FOLLOWING PAGES]

WRIGHT:

WRIGHT HOMES, LLC, an Alabama limited liability company

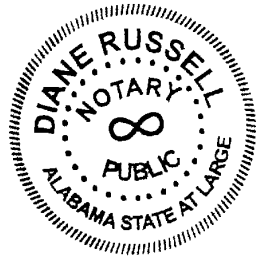
By: James O. Wright
Its: Sole Member



STATE OF ALABAMA)
 :
COUNTY OF MADISON)

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

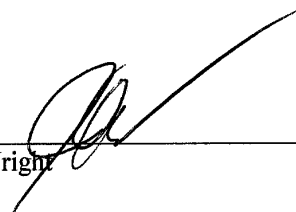
Given under my hand and seal this the 11 day of October, 2013.



Diane H. Russell
Notary Public
My Commission Expires: 10/16/2014

STONERIDGE HOMES, INC., an Alabama corporation

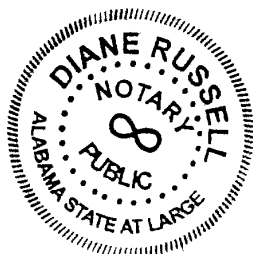
By: James O. Wright
Its: President



STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, JAMES O. WRIGHT, whose name as President of STONERIDGE HOMES, INC., 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 the instrument, he, as such Officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 11 day of October, 2013.



Diane K. Russell
Notary Public
My Commission Expires: 10/16/2014

MORTGAGEE:

BANCORPSOUTH BANK

Penny Billings
By: Penny Billings
Its: market president

STATE OF ALABAMA)

:

COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, Penny Billings, whose name as Market President of BANCORPSOUTH BANK, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he/she, as such market pres. and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand and seal this the 11th day of October, 2013.

Karen Lichtner
Notary Public
My Commission Expires: 3-27-2017

MORTGAGEE:

REGIONS BANK

Susanne Warren

By: Susanne Warren

Its: Vice President

STATE OF ALABAMA)

:

COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, Susanne Warren, whose name as Vice President of REGIONS BANK, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand and seal this the 16th day of October, 2013.

Dorey Schmidt

Notary Public

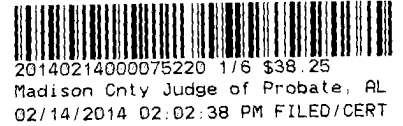
My Commission Expires: 10/1/17

THIS INSTRUMENT PREPARED BY:

M MATTHEW R. HARRISON
HARRISON, GAMMONS & RAWLINSON, P.C.
2430 L & N DRIVE
HUNTSVILLE, ALABAMA 35801
(256) 533-7711

Exhibit "A"

Lots 1 through 40, according to the final plat for Legendwood Subdivision, Phase 4, as recorded in the Office of the Judge of Probate of Madison County, Alabama, as Document No. 20130603000360480.



STATE OF ALABAMA)
 :
 MADISON COUNTY)

**FIFTH AMENDMENT TO THE
 DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS
 FOR LEGENDWOOD SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS: the Declaration of Protective Covenants, Restrictions and Easements for Legendwood Subdivision has heretofore been established and filed as Document No. 20051207000825740 in the Office of the Judge of Probate of Madison County, Alabama, for the use and enjoyment of certain lots subject to the Declaration, and further amended in Document Number 20060203000074340, Document No. 20070410000252650, Document No. 20120416000231860, and Document No. 20131017000672330, in aforesaid Probate Records (collectively, the “Declaration”); and,

WHEREAS, the original Declarant, Greystone Development, Inc., an Alabama corporation (“Greystone”), conveyed its remaining interest in Legendwood Subdivision, including all of its rights and privileges as Declarant arising out of said Declaration, to Compass Bank, a banking corporation (“Compass”) by virtue of those certain foreclosure deeds recorded in Document No. 20090130000059240, re-recorded as Document No. 20090203000066840, Document No. 20090130000059250, re-recorded as Document No. 20090203000066830, Document No. 2009030000059260, re-recorded as Document No. 20090203000066850, and Document No. 20090130000059270, re-recorded as Document No. 20090203000066860 in the Office of the Judge of Probate of Madison County; and,

WHEREAS, **WRIGHT HOMES, LLC, an Alabama limited liability company** (“Wright”) acquired all that certain property conveyed to Compass by Greystone by virtue of those certain Deeds recorded in Document No. 20111222000702320 and Document No. 20111222000702330 for the purpose of developing and selling such property acquired by Wright; and,

WHEREAS, simultaneously with its conveyance of real property, Compass did convey any Declarant rights owned by it arising out of said Declaration to Wright by virtue of that certain Assignment of Declarant Rights recorded as Document No. 20111222000702350 in the Office of the Judge of Probate of Madison County Alabama; and,

WHEREAS, Wright as Declarant has the authority to unilaterally amend the Declaration as provided in Article XIII, Section 4, and desires to amend same by executing this Fifth Amendment to the Declaration of Protective Covenants, Restriction and Easements for Legendwood Subdivision (this “Amendment”); and,

WHEREAS, the Declaration requires the Architectural Review Committee (herein “ARC”) to approve any changes to the Architectural Standards as set out in Article VI, Section 10; and,

WHEREAS, the ARC has been presented with and approved those changes falling under the purview of the ARC to the Declaration set forth below; and,

WHEREAS, the President of the Board of Directors of the Association joins in this Amendment for the purposes of ratifying its terms.

NOW, THEREFORE, pursuant to the provisions of Article XII, Section 4, and Article XI, Section 10 of the Declaration of Protective Covenants, Restrictions and Easements for Legendwood Subdivision recorded as Document No. 20051207000825740, and further amended in Document Number 20060203000074340, Document No. 20070410000252650, Document No. 20120416000231860 and Document No. 20131017000672330, all being filed in the Office of the Judge of Probate of Madison County, Alabama, the undersigned Wright in its capacity as Declarant and with the consent of the ARC and the Board of Directors, acting within the authority established by said Declaration, does hereby amend the Declaration as follows:

1. Article IV, Section 8 shall be amended only as to the amount listed for annual dues. Effective upon recordation, annual dues shall be \$500.00.

2. Article VI, Section 10(j) shall be deleted and the following inserted in lieu thereof:

“Each Owner (or any contract purchaser of a Lot) who submits any plans to the Architectural Review Committee for approval shall pay to the Architectural Review Committee a design review fee for the review of such plans and specifications for any Improvements to be made to such Owner’s (or contract purchaser’s) Lot. The Board shall adjust the review fees, from time to time, to cover all or part of the expected cost of the operation. The review fees shall be based on a two (2%) percent value of the cost of the project, and shall be no less than \$25.00 and shall not exceed \$250.00. If such fee does not cover the cost of the review, the Association shall fund the deficit. The Architectural Review Committee may employ personnel or contract with individuals or companies as necessary to assist in the review process.”

3. Notwithstanding anything in the Declaration to the contrary, in the event of a shortfall in the Association’s finances, the Declarant shall have no responsibility to pay monies to alleviate such shortfall. This provision is in light of the fact that the Declarant has appointed homeowners within Legendwood to serve on the Board of Directors of the Association as provided by the Declaration, thus allowing the Association to self-govern with respect to all budgetary and collection matters, among other items.

4. Effective February 1, 2014, \$1,000.00 per lot shall be paid from the Seller to the Association following the first conveyance to a third party subsequent to the issuance of a Certificate of Occupancy. Parcels of real property subject to this one-time assessment imposed by this Amendment are those in Phase 4 and Phase 5 of Legendwood. This provision shall not be retroactive to any lots previously sold prior to January 1, 2014. The assessment provided herein shall be a one-time fee, and shall not continue to be an obligation past the first conveyance following the issuance of a Certificate of Occupancy.

5. All capitalized terms not expressly defined in this Amendment shall have the meaning ascribed to them in the Declaration.

6. Except as otherwise expressly provided in this Amendment, all of the terms of the Declaration shall continue in full force and effect and are hereby ratified and affirmed.

7. This Amendment may be executed in separate counterparts and it shall be fully executed when each party whose signature is required has signed at least one (1) counterpart even though no one (1) counterpart contains the signatures of all of the parties to this Amendment. This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. Facsimile or electronic copies of signatures shall have the same force and effect as original signatures. In the event of any conflict or inconsistency between the terms of this Amendment and the terms of the Declaration, the terms of this Amendment shall control.

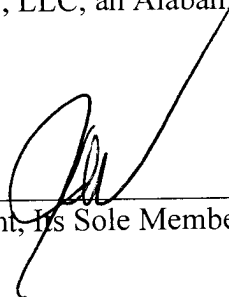
[ALL SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned have executed or caused these presents to be executed by their duly authorized representatives on this the 31st day of December, 2013.

DECLARANT:

WRIGHT HOMES, LLC, an Alabama limited liability company

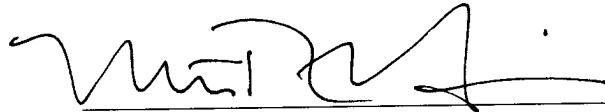
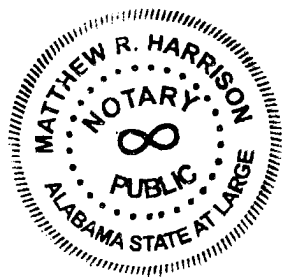
By James O. Wright, Its Sole Member



STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, JAMES O. WRIGHT, whose name as Sole Member of WRIGHT HOMES, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he, as such Sole Member, and with full authority, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

Given under my hand and seal this the 31st day of December, 2013.

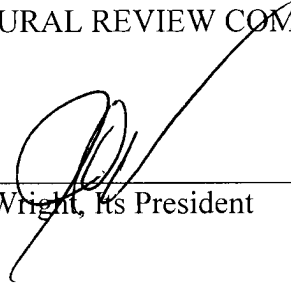


Notary Public

My Commission Expires: 2/22/2014

ARCHITECTURAL REVIEW COMMITTEE:

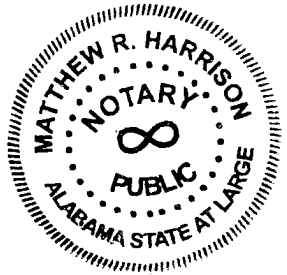
By James O. Wright, Its President

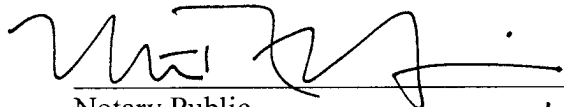


STATE OF ALABAMA)
 :
COUNTY OF MADISON)

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

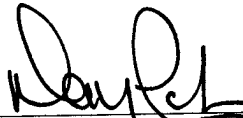
Given under my hand and seal this the 31st day of December, 2013.





Notary Public
My Commission Expires: 2/22/2016

LEGENDWOOD OWNERS ASSOCIATION,
an Alabama non-profit association



By: DARRELL J. PARKER
Its: President

STATE OF ALABAMA)
COUNTY OF Madison ;

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that, Darrell Parker, whose name as President of LEGENDWOOD OWNERS ASSOCIATION, an Alabama non-profit corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, she, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the 6 day of February, 2014.



Notary Public
My Commission Expires: 3-8-2014

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

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Madison Cnty Judge of Probate, AL
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