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**DECLARATION OF RIGHTS, COVENANTS, RESTRICTIONS, AFFIRMATIVE
OBLIGATIONS AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE, A PLANNED UNIT DEVELOPMENT**

October 1, 1997

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**DECLARATION OF RIGHTS, COVENANTS, RESTRICTIONS, AFFIRMATIVE
OBLIGATIONS AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE, A PLANNED UNIT DEVELOPMENT**

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STATE OF ALABAMA

COUNTY OF BALDWIN

**DECLARATION OF RIGHTS, COVENANTS, RESTRICTIONS, AFFIRMATIVE
OBLIGATIONS AND CONDITIONS APPLICABLE TO
STEELWOOD, A PLANNED UNIT DEVELOPMENT**

This Declaration made this 1st day of October, 1997, by STEELWOOD, LTD., an Alabama limited partnership, (the "Developer") applicable to Steelwood, Unit One, a planned unit development (the "Development").

W I T N E S S E T H:

WHEREAS, the Developer owns that certain land located in Baldwin County, Alabama (the "Property" or "Development") shown on the development plat (the "Plat") of Steelwood, a planned unit development, as recorded on Slide 1762A, 1762B through 1763A in the records of the Office of the Judge of Probate of Baldwin County, Alabama; and

WHEREAS, the Developer desires to provide for the preservation of the value of the Property and for the maintenance of the Common Properties; and to this end, Developer has consented to subject the Property to the covenants, restrictions, easements, affirmative obligations, charges and liens hereinafter set forth (the "General Covenants" or "these Covenants"), each and all of which is and are hereby declared to be for the benefit of the Property and every owner of any and all parts thereof.

NOW, THEREFORE, the Developer hereby declares that the Property is and shall be held, transferred, sold, conveyed, given, purchased, leased, occupied and used subject to these Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants, shall touch and concern and run with the Property.

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ARTICLE I

DEFINITIONS

In this Declaration, the following words will have the meaning ascribed to them in this Article I:

Section 1.01 **ARTICLES OF INCORPORATION** shall mean and refer to the Articles Of Incorporation of the Association, as filed with the Secretary of State of Alabama and the Office of the Judge of Probate, Baldwin County, Alabama.

Section 1.02 **ASSOCIATION** shall mean and refer to The Steelwood Property Owners Association, an Alabama non-profit corporation, its successors and assigns.

Section 1.03 **BUSINESS OR TRADE** shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

Section 1.04 **BY-LAWS** shall mean and refer to the By-Laws of the Association.

Section 1.05 **COMMON PROPERTY OR PROPERTIES OR COMMON AREA** shall mean and refer to that certain real and/or personal property which may be conveyed to Association by the Developer in accordance with this Declaration and the real property designated as Common Property or Common Area on the Plat.

Section 1.06 **DEVELOPER** shall mean and refer to Steelwood, Ltd., an Alabama limited partnership, its successors and assigns.

Section 1.07 **ENCLOSED LIVABLE AREA** shall mean and refer to that area of the Single-Family Dwelling that is completely enclosed and protected from the weather (heated and cooled) and intended as the living quarters of the Single-Family Dwelling.

Section 1.08 **GOLF COURSE** shall mean and refer to any parcel of land adjacent to, in the vicinity of, or within the Development which is privately owned by the Developer, its lessees, successors and assigns, and which is operated as a golf course, and all of the related and supporting facilities, amenities, and improvements operated in connection with such golf course.

Section 1.09 **IMPROVED LOT** shall mean and refer to a Lot on which is located a building and/or other structure(s) as to which required approvals for use and occupancy have been obtained.

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Section 1.10 **LODGE OR VILLA** shall mean and refer to any numbered and delineated lots or parcels shown on the Plat, or amendments or additions to the Plat, to be used for lodging and/or meetings by the Developer, its guests, invitees, tenants, lessees, agents, successors and assigns.

Section 1.11 **LOT** shall mean and refer to any of the fifty-four (54) numbered and delineated parcels shown on the Plat to be used for single-family dwelling units.

Section 1.12 **MEMBERS OR MEMBERSHIP** shall mean and refer to the Association's members.

Section 1.13 **OWNER OR PROPERTY OWNER** shall mean and refer to the holder of record of fee simple title to any Lot. Notwithstanding any applicable theory of any mortgage, "Owner" shall not mean or refer to the mortgagee, or mortgagee's heirs, successors or assigns, unless such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee of any Owner; nor shall the term "Owner" mean or refer to any person holding title merely as security for the payment of a debt. In the event there is of record a deed granting one or more parties a life estate in any Lot, the Owner of said Lot shall be deemed to be the holder or holders of a life estate, regardless of who owns a fee interest.

Section 1.14 **PRIVATE AMENITIES** shall mean and refer to that certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of or within the Development, which are privately owned and operated by the Developer, Steelwood Country Club, or persons or entities other than the Association, for recreational and related purposes, on a club membership basis, use fee basis, or otherwise, and shall include, without limitation, the Golf Course, Steelwood Lake, Steelwood Country Club, or Steelwood Sporting Club.

Section 1.15 **PROPERTY OR DEVELOPMENT** shall mean and refer to the land shown on the Plat, and any additions, and all improvements and structures contained thereon, and all easements, rights, and appurtenances belonging thereto, and any other property submitted to the provisions of this Declaration, and any additions or amendments to the Plat, including additional property added to the Development by the Developer from time to time in accordance with this Declaration.

Section 1.16 **RECREATIONAL AMENITIES** shall mean and refer to any portions of the Common Area and related facilities designated from time to time by the Developer, or its lessees, to be used by the Association for specific recreational and/or social purposes.

Section 1.17 **RECREATIONAL CHARGES** shall mean and refer to any fees, dues, rentals, food and beverage costs, and other charges established by rules and regulations of the Developer and which are charged to a Member with respect to his or her use or the use by his or her family, tenants, guests, and invitees of one or more Recreational Amenities or for the purpose

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of services or goods provided or sold in connection with the Recreational Amenities.

Section 1.18 **SINGLE-FAMILY DWELLING** shall mean and refer to that portion of any Improved Lot intended for use, or being used, as a detached single-family dwelling.

Section 1.19 **UNIMPROVED LOT** shall mean and refer to any Lot that is not an Improved Lot.

Section 1.20 **WILDERNESS AREA** shall mean and refer to those areas designated on the Plat as "Wilderness Areas". The Wilderness Areas are not part of the Common Properties unless such property is conveyed to the Association by the Developer.

ARTICLE II

FUTURE DEVELOPMENT AND ADDITIONS TO THE PROPERTY

Section 2.01 **FUTURE DEVELOPMENT**. The Developer, its successors and assigns, may develop other property to be sold, leased or used in any manner the Developer deems appropriate, and may as a matter of right, without the consent of the Association or the Owners, (i) bring within this Declaration and make such additional property part of Steelwood to be used, sold, or leased by the Developer for such uses or purposes as the Developer deems appropriate, and/or (ii) convey additional parcels to the Association without regard to the location of such parcels of land in or outside the Development. If the Developer decides to convey any property to the Association, these properties shall be designated as Common Properties or Common Areas. The Developer shall not be required to follow any predetermined sequence, schedule or order of improvements and development; and it may take, subject to this Declaration, additional lands and develop the same before completing the development of the Lots and Common Areas as shown on the Plat. Any property developed in the future or conveyed by the Developer to the Association may also be subject to additional covenants and restrictions as specifically set forth by the Developer or in the deed of conveyance.

Section 2.02 **ADDITIONS AND WITHDRAWALS OF PROPERTY**. Additional property may become subject to this Declaration or be withdrawn from this Declaration in the following manner:

(a) **Additions**. The Developer, its successors and assigns, shall have the right, without further consent of the Association or the Owners, to bring within this Declaration any additional property. Such property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under this subsection shall be made by filing in the Office of the Judge of Probate, Baldwin County, Alabama, a supplementary declaration with respect to the additional property which shall extend the operation and effect of this Declaration to such additional property.

Any supplementary declaration may contain such additions and/or modifications of the covenants and restrictions contained in this Declaration, or in the Articles or By-Laws of the Association as may be necessary or convenient, in the sole judgment of the Developer, to reflect the different character, if any, of the additional properties.

(b) **Withdrawal.** The Developer, its successors and assigns, without consent from the Association or the Owners, shall have the right, at any time or from time to time, to withdraw portions of the Development from this Declaration. The withdrawal authorized by this subsection shall be made by filing in the Office of the Judge of Probate, Baldwin County, Alabama, a supplementary declaration with respect to the property which has been withdrawn.

(c) **Mergers.** Upon merger or consolidation of the Association with another association as provided in the By-Laws of the Association, the Association's property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association. In the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall affect any revocation, change or addition to this Declaration with respect to the property including, without limitation, the maximum limits on assessments of the Association, or any other matter substantially affecting the interest of Members of the Association.

Section 2.03 **PLATTING AND SUBDIVISION OF THE DEVELOPMENT.** The Developer, its successors and assigns, without consent from the Association or the Owners, shall be entitled at any time and from time to time to subdivide, plat and/or re-plat all or any portion or part of the Development, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Development or property owned by the Developer.

ARTICLE III

GENERAL COVENANTS

Section 3.01 **PURPOSES.** The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a development that is aesthetically pleasing and functionally convenient. The establishment of objective standards relating to design, size and locations of dwellings, lodges, and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of property and of technological advances and environmental values. For this reason such standards are not established by these Covenants. In order to implement the purposes of these Covenants, the Developer shall establish and amend from time to time objective standards and guidelines which shall be in addition to these Covenants.

Section 3.02 LOTS LIMITED TO RESIDENTIAL USE. Except as otherwise permitted herein, each Lot shall be used for residential purposes only, and no trade or business of any kind may be carried on thereon excluding any Lots designated by the Developer for use as a Lodge or Villa site. The use of a portion of a dwelling as an office by an Owner shall not be considered to be a violation of this covenant if such use does not create regular customer, client, or employee traffic, provided that in no event shall any Lot be used as the office of or storage area for any building contractor or real estate developer other than the Developer. Furthermore, the operation of the Recreational Amenities and the operation by the Developer of other activities in Common Areas for which a fee may be charged shall be expressly permitted within the Development, exclusive of Lots, and shall not be deemed to be a violation of the terms of this Section. Lease or rental of a single family dwelling shall also not be considered to be a violation of this covenant so long as the lease is in compliance with rules and regulations as may be promulgated and published from time to time by the Developer. No Lot may be leased or rented to any entity or person without the written consent of the Developer, which consent shall be in the sole discretion of the Developer and may in any case be denied. All leases and rentals shall be required to be in writing, and, prior to the commencement of any such lease or rental, the Owner shall provide the Developer with copies of the lease. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder.

Section 3.03 SITING. To assure that buildings and other structures will be located so that the maximum view, privacy and breeze will be available to each building or structure, and that buildings and structures will be located with regard to the topography of each property taking into consideration the location of trees or plants, and other aesthetic and environmental considerations, the Developer reserves unto itself, its successors and assigns, the right to control and to decide solely [(a) so long as such decisions are not arbitrary or capricious and (b) subject to the provisions of the pertinent land use regulations of public authorities having jurisdiction over the Development] the precise site and location of any building or structures on any property in the Development. The location shall be determined only after reasonable opportunity is afforded by the Property Owner to recommend a specific site. Provided however, that in the event an agreed location is stipulated in writing in the contract of purchase from the Developer, and such location complies with the local county subdivision regulations, the Developer shall approve automatically such location for a residence or group of residential units.

Section 3.04 BUILDING HEIGHT. No Single-Family structure shall be constructed on a Lot which has a height exceeding two (2) habitable stories. The concrete floor slab, the first floor elevation, and the second floor elevation shall be at a minimum elevation established by the Architectural and Design Guidelines and all flood zone regulations. A raised level below the first habitable floor of a Single-Family Dwelling built to comply with the minimum height established by applicable flood zone regulations of the United States shall not be considered a story for purposes of this Section. The height of any structure, including Single-Family structures within the Property shall be subject to the prior review and approval in writing by the Developer and shall be subject to all applicable governmental guidelines and approvals.

Section 3.05 BUILDING SIZE.

(a) All Single-Family Dwelling structures built on Lots 1 through 40 shall have a minimum of twenty-four hundred (2400) square feet of Enclosed Livable Area (not including verandas or porches).

(b) All Single-Family Dwelling structures built on Lots 41 through 54 shall have a minimum of eighteen hundred (1800) square feet of Enclosed Livable Area (not including verandas or porches).

(c) No Single-Family Dwelling structure or structure of any kind built on Lots 1 through 54 shall have more than five thousand (5,000) square feet of Enclosed Livable Area (not including verandas and porches).

Section 3.06 PARKING AND STORAGE. Each Owner shall provide sufficient space on such Owner's Lot for enclosed storage areas and parking areas for parking of approved vehicles for the Owner's and Owner's family's use and the use of the Owner's guests prior to the occupancy of any building or structure constructed on said property in accordance with reasonable standards established by the Developer. Parking shall be provided by each Owner for two (2) vehicles for each Single-Family Dwelling.

Section 3.07 COMPLETION OF CONSTRUCTION. The exterior of all Single-Family Dwelling and other structures must be completed within nine (9) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to a Property Owner or their builder due to strikes, fires, national emergency or natural calamities. Dwelling structures may not be temporarily or permanently occupied or used until the exteriors thereof have been completed. During the continuance of construction, the Property Owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition and all trash and discarded materials must be placed in a dumpster or similar container located on the Lot during construction. Upon completion of construction, the Property Owner shall cause the contractor to immediately remove all equipment, tools, construction material and other debris from the Lot. Any damage to roadways, paths, Common Properties or any other property owned by any person or entity caused by the Property Owner's contractor or other parties providing labor or services to the Property Owner shall be repaired by the Property Owner or by the Developer at the Property Owner's expense. The landscaping plan for all Single-Family Dwelling and other structures must be completed within ninety (90) days of occupancy or substantial completion, whichever date shall first occur.

Section 3.08 SERVICE YARDS. Each Property Owner shall provide a visually screened area to serve as a service yard and an area in which garbage receptacles, electric meters, air conditioning equipment, and other similar objects must be placed or stored in order to conceal them from view from the roadway and adjacent properties. No window air conditioning units may be installed or used on any Lot. No clothes lines are allowed on any Lot.

Section 3.09 **SIGNS AND MAILBOXES.** No signs, mailboxes, or ornaments shall be erected or maintained on the Property by anyone, including, but not limited to, the Property Owner, a realtor, a contractor or subcontractor, without the written permission of the Developer or except as may be required by legal proceedings.

Section 3.10 **OTHER BUILDINGS, VEHICLES AND BOATS.** No mobile home, trailer, tent or other similar vehicle or out-building or structure shall be placed on any Lot, or any other portion of the Property at any time, either temporarily or permanently. No boat may be stored on any Lot. No boats or trailers may at any time be parked in any front yard, guest parking area or Common Property. All boats, trailers, and recreational vehicles may only be parked in those areas of the Development specifically designated by the Developer, if any.

Section 3.11 **REMEDIES FOR VEHICLE AND RECREATIONAL EQUIPMENT VIOLATIONS.** Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations now or hereafter adopted by the Developer or the Association may be towed by the Association or the Developer, at the sole expense of the Owner of such vehicle or recreational equipment. The Association or the Developer shall not be liable to the Owner of such vehicle or recreational equipment for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing, and neither its removal or failure of the Owner to receive any notice of said violation shall be grounds for relief of any kind.

Section 3.12 **UNSIGHTLY CONDITIONS.** It shall be the responsibility of each Property Owner and tenant thereof to prevent the accumulation of litter, trash, packing crates or rubbish or the development of any unclean, unsightly, or unkempt condition of buildings or grounds on their property either before, during or after construction. It shall also be the responsibility of each Property Owner and tenant thereof to prevent accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area.

Section 3.13 **LIGHTS.** The design and location of all exterior lighting fixtures shall be subject to the approval of the Developer. Neither these nor any other illumination devices located anywhere on the structures or grounds of any Single-Family Dwelling shall be located, directed, or of such intensity to affect adversely the night-time environment of any adjacent property.

Section 3.14 **ANIMALS.** No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured on the Property.

Section 3.15 **PETS.** All pets must be kept on a leash or within a contained area at all times. The Developer may adopt reasonable regulations designed to minimize damage and disturbance to other Owners and occupants, including regulations requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size the facilities of the Single Family Dwelling and fair use of the Common Properties. Nothing in this provision shall prevent the Developer from requiring removal of any animal that presents an actual threat to the

health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance.

Section 3.16 SEWAGE DISPOSAL. Prior to the occupancy of a Single-Family Dwelling, proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains or septic systems located in the Development including the installation of grinder pumps. No sewage or other waste material shall be emptied or discharged into any creek, lake, wetland or marsh. Each Lot Owner shall be responsible for the payment of any sewer usage fees, sewer hook up fees, installation charges and the like, for private or public sewage disposal systems. If public sewage is provided by the Developer or any public authority, each Lot Owner must hookup to such public sewage when available and be responsible for the payment of all sewer usage hookup fees, installation charges and the like.

Section 3.17 WATER. No private water wells may be drilled or maintained on any Lot or any other portion of the Development until the location, type, housing, and related piping have been approved in advance by the Developer. If public water is provided by the Developer or any public authority, each Lot Owner must hook up to such public water when available and be responsible for the payment of all water usage, water hook up fees, installation charges and the like.

Section 3.18 REPAIRS AND HAZARDS. Any building or other improvement on any Lot that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the land on which it was located restored to an orderly and attractive condition. Any damage which causes a dangerous or unsafe condition to persons or which is unsightly and which is not repaired within a reasonable time (in no event longer than sixty (60) days) following notice, may be repaired at the direction of the Association or the Developer and the cost of such repairs shall become a lien against such Lot and become the personal obligation of the Owner(s) of such Lot. Any entry upon a Lot to effect such emergency repairs shall not be deemed a trespass.

Section 3.19 OFFENSIVE ACTIVITY. No noxious or offensive activity shall be carried on upon any Lot or any other portion of the Property; nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the community. The Developer shall have the express right, in its sole discretion, to publish rules from time to time to prohibit, regulate or otherwise deal with activities which violate this Paragraph.

Section 3.20 ANTENNAS AND SATELLITE DISHES. No television antenna or satellite dish, receiving "dish", radio receiver or sender or other similar device shall be attached to or installed on any Lot or structure within the Development until the location, size and appearance of such devices are approved in advance by the Developer. Nor shall radio, television signals, nor any other form of electromagnetic radiation be permitted to originate from any Single-Family Dwelling, Lot or any other portion of the Property which may unreasonably interfere with the reception of television or radio signals upon any other of such properties. However, the

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provisions of this Section shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television and mobile radio systems or other similar systems within the Development.

Section 3.21 **TRESPASS**. Whenever the Developer is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on any of the property or on the easement areas adjacent thereto, entering such property and taking such action shall not be deemed a trespass.

Section 3.22 **PARCELS**. No Lot shall be subdivided, or its boundary lines changed, except with the prior written consent of the Developer. However, the Developer hereby expressly reserves to itself, its successors and assigns, the right to replat any Lot and to take such other steps as are reasonably necessary to make such replatted Lot suitable and fit as a building site including, but not limited to, the relocation of the Lot or easements, walkways, rights-of-way, roadways, and recreational facilities.

Section 3.23 **INGRESS AND EGRESS**. The Property Owner, in accepting title to property conveyed subject to the covenants and restrictions of this Declaration, waives all rights of uncontrolled and unlimited egress and ingress to such property (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Property Owner and successors in title) and agrees that such ingress and egress to its property may be limited to roadways built or approved by the Developer. The Developer, its successors, assigns, agents, employees and licensees, expressly reserve a right of ingress and egress upon and through any and all roadways, bridges and any other designated access routes in the Development to any portion or part of the Development or Property. Nothing in this section shall be construed as placing an affirmative obligation on the Developer to provide or construct any road, bridge, or other means of ingress and egress to or within the Development.

Section 3.24 **FIREARMS**. No hunting by any means or discharge of firearms of any type shall be allowed on the Property.

Section 3.25 **TIME-SHARING**. No Single-Family Dwelling within the Development shall be used for or subject to any type of vacation Time-Sharing Plan, as defined by Title 34-27-50 et. seq. of the Code of Alabama (1975), as amended.

Section 3.26 **MINIMUM LEASE TERMS**. No Single-Family Dwelling located on any Lot shall be leased by a Property Owner for a lease term of less than one (1) calendar month.

Section 3.27 **SECURITY**. The Association may, but shall not be obligated to, maintain or support certain activities with the Development designed to make the Development safer than they otherwise might be. Neither the Association nor the Developer, its successors and assigns, shall in any way be considered insurers or guarantors of security within the Development, nor shall either of them be held liable for any loss or damage by reason of failure to provide adequate

security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform Owner's tenants that the Association, its Board of Directors and committees, and the Developer, its successors and assigns, are not insurers and that each person using the Development assumes all risks for loss or damage to persons, to Lots, Lodges and Private and Recreational Amenities, and to the contents of any Private or Recreational Amenity, Single Family Dwelling or Lodge resulting from acts of third parties.

Section 3.28 HOUSEHOLD COMPOSITION. No rule shall interfere with the freedom of occupants of any Single Family Dwelling to determine the composition of their households, except that the Developer shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Single Family Dwelling on the basis of the size and facility of same and its fair share use of the Common Properties, including parking.

Section 3.29 BOATS AND WATERCRAFT. No person shall be entitled to live or reside on any yacht, boat, or other watercraft which may be docked, moored, or otherwise located within or on Steelwood Lake or on waters within or adjacent to the Development. In addition, no sewage effluent, treated or otherwise, shall be discharged from any yacht, boat, or other watercraft into any creek, river, marina, lake, or other body of water within or adjacent to the Development. Furthermore, Owners, other than Developer, shall not be entitled to erect or build any boat slips, boathouses, wharf, dock, or bulkhead on Steelwood Lake or on Lots located on or adjacent to the lake.

Section 3.30 LIMITATIONS AS TO USE OF BODIES OF WATER. To preserve water quality and to minimize erosion due to water turbulence, no swimming, fishing, or bathing is allowed and no boats, personal watercraft, or similar devices shall be operated on Steelwood Lake or in the water courses or bodies of water within or adjacent to the Development unless written permission is given by the Developer.

Section 3.31 STEELWOOD LAKE AND WATERWAYS. The Developer may retain ownership of all bodies of water (including without limitation Steelwood Lake and its related waterways) lying within or adjacent to the boundaries of the Development and, further, the Developer expressly reserves every reasonable use and enjoyment of the lakes, water courses and other bodies of water in a manner not inconsistent with this Declaration. It is further expressly recognized that lakes and bodies of water perform valuable drainage functions requiring water levels to be raised and lowered from time to time in connection with the operation of the Development. The Developer expressly retains all rights to adjust water levels as requirements dictate.

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Section 3.32 GOLF COURSE AREAS. Owners of Lots adjacent to Golf Course fairways and greens, as well as their families, tenants, guests, invitees and pets, shall be obligated to refrain from any actions which would detract from the playing qualities of the Golf Course. Such prohibited activities shall include, but not be limited to, ownership of dogs or other pets under conditions which interfere with golf course play due to their loud barking or other actions, any running or walking on the fairways, picking up balls, or any similar interference with golf play.

Section 3.33 PRIVATE ROADS. All roads and roadways within the Development shall be private, non-public roads to be used by the Developer, its lessees, guests, agents, invitees and licensees and the Lot Owners, their guests, agents, invitees and licensees. However, the Developer may elect to convey the roads and roadways to the Association to be designated as Common Area; or in the alternative, the Developer may elect to convey the roads and roadways to a public or governmental authority for use by the public and for public maintenance and upkeep. The Developer may also allow the roads and roadways to be used by the general public for access to and from any of the Private Amenities, if the Developer deems it appropriate.

Section 3.34 WALKWAYS TO STEELWOOD LAKE. The Owners of Lots located adjacent to or contiguous to the Common Area surrounding Steelwood Lake may erect one (1) ground level walkway leading from their homes or improvements built on their Lot to Steelwood Lake. The location, size, design, construction and materials used for the walkway must be approved in advance by the Developer. The Developer may (at its option) erect a sidewalk or similar walkway in the Common Area located next to or adjacent to Steelwood Lake. Any walkways built by an Owner shall be subject to the location and use of walkways or sidewalks built by the Developer.

Section 3.35 GARAGES. No carports or detached garages will be allowed without the prior written approval of the Developer. Garage openings may not be constructed on the front of Dwelling Units unless specifically approved by the Developer. In all cases electric automatic door openers/closers shall be installed and used. All garages must be kept closed when not in use.

Section 3.36 SWING SETS AND PLAYGROUND EQUIPMENT. Swing sets and playground equipment may not be erected on corner Lots or Lots adjacent to or adjoining the Golf Course. On all other Lots in the Property, the erection, location, type of construction, size, height and appearance of swing sets and playground recreational equipment must be approved in advance in writing by the Architectural Review Board, the Developer, and the Association.

Section 3.37 DRIVEWAYS. Some Lots may require a culvert or other small bridge leading from the road over drainage areas. Such culverts or bridges must be approved by the Architectural Review Board to insure that such structures are attractive and uniform in appearance.

ARTICLE IV

ADDITIONAL RESTRICTIONS TO IMPLEMENT EFFECTIVE ENVIRONMENTAL CONTROLS

In order to protect the natural beauty of the vegetation, topography, and other natural features of all properties within the Development and in furtherance of the safety and aesthetic enjoyment of the Development, the following environmental controls and restrictions are hereby established.

Section 4.01 **TOPOGRAPHY AND VEGETATION**. In order to protect the natural beauty of the vegetation and topography of the shoreline, woodlands, and other areas within the Development, written approval of the Developer is hereby required for the removal, reduction, cutting down, excavation, filling or alteration of topographic and vegetation characteristics. An approved silt fence must be installed prior to construction on all Lots located near or adjacent to Steelwood Lake or its waterways to prevent run-off into the lake.

Section 4.02 **TREE OR UNDERBRUSH REMOVAL**. Prior to approval of a Property Owner's landscaping plan by the Developer, no trees or underbrush may be removed without the written consent of the Developer.

Section 4.03 **VEHICLE CONTROL**. In the interest of the health, safety and aesthetic enjoyment of the Owners and visitors within the Development, the Developer reserves unto itself, its successors and assigns, the exclusive and absolute right to prescribe or otherwise limit the type, size, axle length, tires, weight and engine or motor characteristics of all vehicles, automobile, boats, jitneys, carriages or any other modes of transportation used within the Development, and further, to establish and enforce speed limits, noise level limits and other traffic and vehicle rules and regulations within the Development as the Developer in its sole discretion deems appropriate.

(a) The Developer may establish (but shall not be obligated to establish) guarded or electronically monitored gates controlling, limiting and restricting vehicular and pedestrian access to and from any portion of the Property and to restrict access to or within the Property for commercial traffic or members of the general public.

Section 4.04 **PARKING**. Parking on any roadway not identified as parking areas within the Development shall be prohibited at all times. Parking shall also be prohibited on any Unimproved Lot, Common Property, or roadways in the Development, other than those areas specifically designated for parking by the Developer. Any vehicle violating this restriction may be removed by the Developer or its designated agent and towing charges assessed with the impounding of the vehicle. All contractors and their employees must park on the Owner's Lot during construction.

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Section 4.05 ENVIRONMENTAL PERMITS AND REGULATIONS. The Property is subject to one or more federal and state regulatory laws, regulations and permits, including the Federal Water Pollution Control Act, the Alabama Water Pollution Control Act, and the National Pollutant Discharge Elimination System General Permit (NPDES). By acceptance of a deed to any Lot, each Owner, and such Owner's contractor(s) and agent(s), agree to comply with all federal or state environmental regulations and permits applicable to the Property, including, without limitation, implementing and maintaining Best Management Practices (BMP) as required by NPDES permits and Alabama regulations. Each Owner further agrees, upon notice by the Developer or otherwise, to make application and maintain any appropriate permit from the Alabama Department of Environmental Management (ADEM) and/or the U.S. Environmental Protection Agency (EPA) required for the discharge of water runoff or the discharge of pollutants into the waters of the State of Alabama as required by all applicable federal or state environmental laws and regulations. The Association and all Owners of Lots discharge and hold harmless the Developer, its successors and assigns, from any and all claims by the Association and Owners arising from any cause of action, tort or otherwise, regarding compliance by the Developer with any federal or state environmental law, regulation or permit.

Section 4.06 WETLANDS. Portions of the Development may have been delineated as wetland areas or may be located adjacent or contiguous to areas of wetlands. Additionally, the location of designated or delineated wetland areas may change from time to time and each Lot Owner should not rely on wetland delineations which may expire or subsequently be modified. Any activity, including building or construction, which drains, fills, dewateres, causes discharges or degradation, or otherwise adversely impacts or is environmentally harmful to the wetland areas lying within or adjacent to the Development is prohibited. All Property Owners and their guests, licensees, agents or invitees shall comply with all laws, regulations and ordinances promulgated by all governmental or quasi-governmental authorities having jurisdiction over the Development which protect or affect wetlands.

ARTICLE V

PROVISIONS RELATED TO COMMON PROPERTY

Section 5.01 COMMON PROPERTY. The Developer intends to convey by statutory warranty deed to the Association as Common Property the following, subject to all restrictions and limitations of record and to all additional restrictions and covenants set forth in the deed of conveyance :

- (a) Those certain Common Property Areas as shown on the Plat as such, subject to any and all applicable restrictions, reservations, encumbrances and limitations of record and to all additional restrictions and covenants set forth in the deed of conveyance; and
- (b) Any other property located within or outside the Property that Developer elects in its sole discretion to become Common Property.

Section 5.02 EROSION CONTROL. The Developer shall have the right, but not the obligation, to protect from erosion any property of the Development including the Common Property by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Developer. The right is likewise reserved to the Developer to take steps necessary to provide and insure adequate drainage ways, remove diseased, dead or dangerous trees or underbrush, and carry out other similar activities.

Section 5.03 PUBLIC RIGHTS LIMITED. The granting of the easement in Common Properties in this part in no way grants to the public or to the owners of any land outside the Development the right to enter such Common Properties or use the roadways or designated access routes located on the Common Properties or the Development without the express permission of the Developer or the Association after the Common Properties are conveyed to the Association by the Developer.

Section 5.04 RESERVATIONS. The Developer expressly reserves to itself, its successors, assigns, licensees and agents, every reasonable use and enjoyment of the roadway and Common Properties, in a manner not inconsistent with the provisions of this Declaration, including but not limited to, the use of the roadways and designated access routes located in the Common Properties.

Section 5.05 DEVELOPER ACTIONS. Where the Developer is permitted by this Declaration to correct, repair, clean, preserve, clear out or do any action on any property, entering the property and taking such action shall not be deemed a trespass or breach of these Covenants.

Section 5.06 NO OBLIGATION ON DEVELOPER. It is expressly understood and agreed that the granting of the easements set out in this Article in no way places a burden of affirmative action on the Developer.

Section 5.07 RULES AND REGULATIONS. As provided herein, the Developer or the Association may take and enforce reasonable rules and regulations governing the use of the Lots, easement areas, Common Areas, Steelwood Lake and the golf course shall be subject to all rules and regulations of the Developer and the Association in effect from time to time.

ARTICLE VI

EASEMENTS

Section 6.01 RESERVATION OF CERTAIN EASEMENTS. The Developer reserves unto itself, its successors, assigns, contractors, licenses, lessees, employees, and agents a perpetual, alienable and releasable easement and right on, over and under the ground of the

Property (including each Lot) to erect, maintain and use electric, cable television and telephone poles, wires, cables, conduits, drainage ways, sewers, wells, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage, or other public conveniences or utilities on, in or over those portions of the Property as may be reasonably required for utility line purposes, including, but not limited to, those easements shown on the Plat; provided, however, that no such utility easement shall be applicable to any portion of the Property as may have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to this Declaration by the Developer. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Property Owner caused by such utility installation shall be repaired and said grounds returned to their prior condition by the Developer or prompt and reasonable remuneration for such repairs shall be made to such Property Owner by the Developer.

Section 6.02 SALES AND CONSTRUCTION OFFICES. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of the Developer, the alienable and transferrable right and easement for ingress and egress to and use of the Recreational or Private Amenities or facilities and for the maintenance of signs, sales offices, construction offices, maintenance areas, business offices, and model dwellings, together with any such facilities as in the sole opinion of the Developer may be reasonably required, convenient, or incidental to the completion, improvement, maintenance and/or sale of Lots, dwellings or Common Areas.

Section 6.03 LOT MAINTENANCE EASEMENT. There is hereby reserved for the benefit of the Developer and the Association, and their respective agents and employees, an alienable, transferrable, perpetual right and easement to enter upon any Lot and adjacent easement area for the purpose of mowing, removing, clearing, cutting, or pruning grass, underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain reasonable standards of health, fire safety, and appearance within the Development, provided that such easement shall not impose any duty or obligation upon the Developer or the Association to perform any such actions. Furthermore, there is hereby reserved for the benefit of the Developer and the Association, and their respective agents and employees, an alienable, transferrable and perpetual right and easement, but not the obligation to enter upon any Lots or adjacent areas from the water's edge of the lake or other body of water within or adjacent to the Development, for the purpose of mowing such area and keeping the same clear and free from unsightly growth and trash, as well as for the purpose of maintaining such bodies of water, such maintenance to include, without limitation, dredging and the maintenance of reasonable water quality standards. Prior to the time a dwelling or any improvements have been constructed on a Lot, the right and easement reserved herein may be exercised from time to time without notice to the Lot Owner, it being the intent of this provision to allow a reasonable and expeditious manner of maintaining an attractive appearance for all Lots prior to the time a residence or other improvements are constructed

thereon. The cost and expense incurred by the Developer or the Association in this connection, including a reasonable proportion of indirect costs, shall be an individual assessment his Declaration to which an Owner and their Lot are subject, and shall become a lien against such Lot. The Association shall promptly reimburse the Developer for the Developer's costs and expenses in exercising the foregoing rights and easements.

Section 6.04 **ENVIRONMENTAL EASEMENT.** There is hereby reserved for the benefit of the Developer, the Association, and their respective agents and employees, an alienable, transferrable, and perpetual right and easement on, over, and across all Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Developer or Association or by an governmental entity, such easement to include, without limitation, the right to implement drainage and erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides.

Section 6.05 **WELLS AND EFFLUENT.** There is hereby reserved for the benefit of the Developer, the Association, and their respective agents and employees, an alienable, transferrable, and perpetual right and easement (a) to pump water from the lake or other bodies of water located within or adjacent to the Development, (b) to drill, install, locate, maintain, and use wells, pumping stations, water towers, siltation basins and tanks, and related water and sewer treatment facilities and systems within or adjacent to the Development, including within any portion of the Common Areas or Private or Recreational Amenities, and (c) to spray or locate any treated sewage effluent within the Common Areas, including within any portion of the Recreational Amenities, Golf Course, or upon any Lot with the permission of the appropriate Owner.

Section 6.06 **GOLF COURSE MAINTENANCE.** There is hereby reserved unto the Developer, its agents and employees, the perpetual, nonexclusive right and easement over and across each Lot which is adjacent to the fairways and greens of the Golf Course. This reserved right and easement shall permit, but shall not obligate, the Developer, its agents, employees, agents, successors and assigns, to go upon any such Lot to maintain or landscape the area encumbered by such easement. Such maintenance and landscaping shall include planting of grass, watering, application of fertilizer, mowing, and the removal of underbrush, stumps, trash or debris, and trees of less than two (2) inches in diameter at a level of two (2) feet above ground level. The area encumbered by this easement shall be limited to the portion of such Lot within thirty (30) feet of the Golf Course or such lesser area as the Developer may determine.

Section 6.07 **UTILITY EASEMENTS.** The Developer reserves unto itself, its successors, assigns, contractors, licensees, and agents a perpetual alienable and releasable easement of right to go on, over and under the Development to erect, maintain and use electric, community antenna television, telephone poles, wires, cables, conduit, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone and television equipment, gas, sewer, water, drainage or other public conveniences or utilities in the

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Development, including, but not limited to all easements shown on the Plat. These reservations and rights expressly include the right to cut trees, bushes or shrubbery reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any licensee or assignee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility or service.

Section 6.08 EASEMENTS OF ENJOYMENT IN COMMON PROPERTIES. Subject to the provisions of this Declaration, the rules and regulations of the Association, and any fees or charges established by the Developer or the Association, every Member and every guest or lessee of such Member shall have an easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot. A Member's or lessee's spouse and children who reside with such Member in the Development shall have the same easement of enjoyment hereunder as a Member. The easement of enjoyment herein shall pass from a Member to a lessee during the lease term; provided, however, the Association may adopt additional restrictions to its rules and regulations limiting the easement of enjoyment of guests and lessees, including but not limited to the specification of minimum lease terms, the number of guests allowed, or the prohibition or use by lessees or guests of specific Association properties.

Section 6.09 EXTENT OF MEMBERS' EASEMENTS. The easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Association, in accordance with its By-Laws, to place mortgages or other encumbrances on the Common Properties as security for borrowings by the Association;
- (b) The right of the Association, in accordance with its By-Laws, to take such steps as are reasonably necessary to protect Common Properties against foreclosures;
- (c) The right of the Association, in accordance with its By-Laws, to suspend the voting rights and easements of enjoyment of any Member, lessee or guest of any Member for any period during which the payment of any assessment against the property owned by such Member is delinquent, and for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay such assessment;
- (d) The right of the Association, in accordance with its By-Laws, to charge reasonable user, admission or other fees for the use of the Common Properties (after conveyance by the Developer) and any facilities included therein, it being understood that this right of the Association allows it to have fees and charges apply to any Member, guest or lessee without applying uniformly to all classes of users of the Association's facilities;

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(e) The right of the Association, in accordance with its By-Laws and subject to the General Covenants, to place any reasonable restrictions upon the use of the roadways within the Development, subject to an Owner's or lessee's right of ingress and egress, including, but not limited to the types and sizes of the vehicles permitted to use said roadways, the maximum and minimum speeds of vehicles using said roadways, all other necessary traffic and parking regulations, and the maximum noise level of vehicles using said roadways. The fact that such restrictions on the use of the roadways shall be more restrictive than the laws of a state or local government shall not make such restrictions unreasonable;

(f) The right of the Association, in accordance with its By-Laws, to adopt and publish rules and regulations governing the use of the Common Properties, and the conduct of Members, their lessees or guests, and to establish penalties for the infraction of such rules and regulations;

(g) The right of the Developer, or the Association in accordance with its By-Laws, to dedicate or transfer to any public or private utility company, utility or drainage easements on, over or under any part of the Common Properties;

(h) The right of the Association, in accordance with its By-Laws, to give or sell all or any part of the Common Properties including a leasehold interest, to any public agency, public authority, public service district, utility company or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such gift, sale or determination as to purposes and conditions shall be authorized by the affirmative vote of three-fourths (3/4) of the votes cast at a duly constituted meeting of the Association. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument or dedication or transfer affecting the Common Properties prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the Members;

(i) Restrictions and limitations affecting all Property of the Development as set forth in the General Covenants and;

(j) The rights that others may have, as referred to herein to use certain Common Properties.

Section 6.10 EASEMENTS OF JOINT OWNERS. In those instances where a Lot or Single-Family Dwelling is owned by two (2) or more entities or persons (who do not have the relationship of spouse, parent or minor child, one to the other) or by a trust, corporation, partnership or any other form of legal entity, such owners, trust, corporation or partnership or other entity shall be subject to the rules and regulations of the Developer concerning the use of the Common Properties or Recreational Amenities.

Section 6.11 EASEMENTS TO SERVE ADDITIONAL PROPERTY. The Developer hereby reserve for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees and mortgagees, an easement over the Common Properties for the purposes of enjoyment, use, access, and development of the Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Properties for construction of roads and for connecting and installing utilities on such property. Developer agrees that it and its successors and assigns shall be responsible for any damage caused to the Common Properties as a result of vehicular traffic connected with development of such property. Developer further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Developer, its successors and assigns, shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving such property.

Section 6.12 EASEMENT FOR GOLF COURSE.

(a) Every Lot and the Common Properties are burdened with an easement permitting golf balls to unintentionally come upon such Lot or Common Property and for golfers at reasonable times and in a reasonable manner to come upon the Common Property or a Lot to retrieve errant golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Developer, its lessees, successors or assigns, the Association or its Members (in their capacity as such); any builder or contractor (in their capacities as such); any officer, director or partner of any of the foregoing, or any officer or director of any partner. Notwithstanding the foregoing, the Developer shall be entitled to from time to time impose more restrictive rules and regulations regarding the playing and/or recovery of balls from Lots. Furthermore, golf course players or their caddies shall not be entitled to enter on any such Lots with a golf cart or other vehicle, nor to spend an unreasonable amount of time on any such Lot or in any way commit a nuisance while on any such Lot.

(b) The owner or lessee of the Golf Course, its respective agents, successors and assigns, shall at all times have a right and nonexclusive easement of access and use over those portions of the Common Properties reasonably necessary to the operation, maintenance, repair and replacement of the Golf Course.

(c) The Lots immediately adjacent to the Golf Course are hereby burdened with a nonexclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the Golf Course. Under no circumstances shall the Association or the lessee or owner of the Golf Course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

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(d) The owner of the Golf Course, its lessees, successors and assigns, shall have a perpetual, exclusive easement of access over the Lots for the purpose of retrieving golf balls from bodies of water within or adjacent to the Common properties lying reasonably within range of golf balls hit from the Golf Course.

Section 6.13 EASEMENTS FOR CROSS-DRAINAGE. Every Lot and the Common Properties shall be burdened with easements for natural drainage of storm water runoff from other portions of the Development; provided no person shall alter the natural drainage on any Lot so as to materially increase the drainage of storm water onto adjacent portions of the Development without the consent of the Owner of the affected property.

Section 6.14 GRANT OF EASEMENT FOR ROADWAYS. The Developer hereby grants each Owner and the Members of the Association a non-exclusive easement, over, across and through all roads and roadways, whether now existing or built in the future, in Steelwood, including without limitation Steelwood Ridge Road, Dogwood Grove, Waterview Drive, and those roads and roadways shown on the Plat. The Developer may relocate any of the roads or access routes from time to time at the Developer's convenience, provided such improvements are reasonably equivalent to the previous road or access routes. All police, fire, ambulance or similar services shall also have an easement to enter all roads and access routes in the performance of their duties. Owners of Lots in future additions or properties added by the Developer shall also have an easement and right of ingress and egress through all roads and access routes within the Property for access to their property and to the amenities and Common Properties located in or in the vicinity of the Property.

ARTICLE VII

MAINTENANCE

Section 7.01 RESPONSIBILITIES OF OWNERS. Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Lots, together with all other improvements thereon or therein, and all lawns, landscaping, and grounds on and within a Lot shall be the responsibility of the Owner of such Lot. Each Owner shall be responsible for maintaining their Lot in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all dwellings, buildings, and other structures and all lawns, trees, shrubs, hedges, grass and other landscaping. As provided herein, each Owner shall also be obligated to pay for the costs incurred by the Association or the Developer for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge. No Owner shall (a) decorate, change, or otherwise alter the appearance of any portion of the exterior of a dwelling or the landscaping, grounds or other improvements within a Lot unless such decoration, change or alteration is first approved, in writing, by the Developer or the Architectural Review Board,

or (b) do any work which, in the reasonable opinion of the Developer or the Architectural Review Board, would jeopardize or adversely affect the soundness, safety and/or appearance of the Development, reduce the value thereof, or impair any easement or hereditament thereto, without in every such case obtaining the written approval of the Developer or the Architectural Review Board.

(a) **EXTERIOR MAINTENANCE OF DWELLING UNITS AND OTHER BUILDINGS.** If it is necessary, at the discretion of the Developer or the Association, to repair or maintain the exterior of any Dwelling Unit, building, structure or improvement located on any Improved Lot (including, without limitation, roofs, gutters, downspouts, windows, walks, and exterior building surfaces) which is caused by the willful act or neglect of the Lot Owner, the Developer and/or the Association, their agents, contractors, and employees, reserve a perpetual nonexclusive easement for ingress and egress in, on and under the Lot to make any repairs or replacements to the exterior of the Dwelling Unit to maintain an attractive and safe appearance of all Dwelling Units, buildings or structures located within the Development. The cost of such exterior maintenance and repair shall be paid promptly by the Lot Owner and, if necessary, added to and become part of any assessment applicable to the Lot requiring such maintenance and repair as provided herein.

Section 7.02 RESPONSIBILITY OF ASSOCIATION.

(a) Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include, without limitation, the operation, maintenance, repair, and replacement of the following: (i) all roads, walks, trails, agricultural operations, lakes, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas, (ii) such utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility, or other person, (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping situated within or upon the Common Areas, and (iv) the Recreational Amenities. Neither the Association nor the Developer shall be liable for injury or damage to any person or property caused by the elements or by any Owner, Member or any other person; resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas caused by any pipe, plumbing, drain, conduit, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association or the Developer, breaking down or as a result of the repair of the same, or related to the operation, use or existence of Recreational Amenities. Nor shall the Association or the Developer be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Common Areas or any other portion of the Development.

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

the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, their family, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then, in either event, the Developer or the Association, except in the event of an emergency situation, may give such Owner written notice of the Developer's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner, shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Developer or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner, and said cost and expense shall be added to and become a part of the assessment to which Owner and their Lot are subject, and shall become a lien against such Lot. In the event the Developer undertakes such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses.

ARTICLE VIII

PRIVATE AMENITIES

Section 8.01 PRIVATE AMENITIES. Access to and use of the Private Amenities is strictly subject to the rules and procedures of the Developer and the respective lessees, licensees, agents, or designees of the Developer, and no person gains any right to enter or to use those facilities by virtue of membership in the Association or ownership or occupancy of a Lot.

All persons, including all Owners, are hereby advised that no representation or warranties, either written or oral, have been or are made by the Developer or any other person with regard to the nature or size of improvements to, or the continuing ownership or operation of the Private Amenities. No purported representation or warranty, written or oral, in conflict with this section shall be effective without an amendment to this Declaration executed or joined into by the Developer or the owner(s) or operator(s) of the Private Amenities which are the subject thereof.

The ownership or operational duties of the Developer relating to the Private Amenities may change at any time and from time to time by virtue of, but without limitation, (a) the sale or lease to or assumption of operations by an independent entity, (b) conversion of the membership structure to an "equity" club or similar arrangement whereby the members of a Private Amenity or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Private

Amenity, or (c) the conveyance or lease of a Private Amenity to one or more affiliates, shareholders, members, lessee, agents, employees, or independent contractors of the Developer. No consent of the Association or any Owner shall be required to effectuate such a transfer or conversion.

Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined by the Developer or its designated agents or lessees. The Developer shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities and to terminate use rights altogether.

ARTICLE IX

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

The Developer has formed or will cause to be formed The Steelwood Property Owners Association, an Alabama non-profit corporation.

Section 9.01 **MEMBERSHIP**. Every Owner, including the Developer, shall automatically, and by virtue of such status as an Owner, be a Member of the Association. Membership shall be automatic and shall be appurtenant to and may not be separated from ownership of any Lot. Transfer of record of the ownership of any Lot shall automatically transfer membership in the Association.

Section 9.02 **VOTING RIGHTS AND GOVERNANCE OF THE ASSOCIATION**.
Voting rights of Members are as follows:

(a) Class A Members consisting of all Members other than the Developer, shall be entitled to cast one (1) vote for each Improved or Unimproved Lot owned in all matters in which membership voting is authorized in the Declaration, the Articles of Incorporation, the By-Laws or any other rules and regulations binding upon the Association, except as specifically provided herein.

(b) The Class B Member, being the Developer, shall be entitled to cast fifty (50) votes for each Improved or Unimproved Lot owned by the Developer (including any Lodge or Villa Lots, if any) in all matters in which membership voting is authorized in the Declaration, the Articles of Incorporation, the By-Laws or any other rules and regulations binding upon the Association. So long as there is a Class B Member of the Association, the Class B Member shall be entitled to elect a majority of the members of the Board of Directors of the Association.

(c) Notwithstanding any provision herein to the contrary, no amendment to the Declaration or to the Articles of Incorporation shall be effective without the written consent of the

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Class B Member, so long as there is a Class B Member of the Association, that is, until the Developer has sold or otherwise conveyed all of the Lots it owns.

(d) Notwithstanding the preceding paragraphs, if any assessment required to be paid by a Member (excluding the Developer) is past due as of the time a vote is being taken, such Member shall not be entitled to cast any vote at such time with respect to the Lot on which the assessment is past due.

(e) A Member entitled to more than one (1) vote must vote all of the Member's votes for or against a matter submitted to the Members for a vote, or such Member may abstain from voting entirely, i.e., a Member entitled to more than one (1) vote may not split or fragment such Member's votes, but must vote (or abstain from voting) as a single unit.

(f) When any Lot entitling the Owner thereof to membership in the Association has Owners which are corporations, trusts or partnerships, or where two (2) or more persons or entities are Owners, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, one (1) officer, trustee, person or entity shall be designated the Voting Member for all the others. Written evidence of such designation in a form satisfactory to the Association shall be delivered to the Association prior to the exercise of a vote by such Owners.

ARTICLE X

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 10.01 **TITLE TO COMMON PROPERTIES.** The Developer may, in its discretion, convey the Common Properties by statutory warranty deed to the Association, subject to all restrictions and limitations of record and to all additional restrictions and covenants set forth in the deed of conveyance. The Association shall be required to accept such conveyance of the Common Properties and shall, after such conveyance, immediately become responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the Association's Board of Directors subject to this Declaration. The Common Properties shall also be conveyed subject to all easements and restrictive covenants of record at the time of conveyance and the rights that others may have, as referred to herein, to use certain Common Properties.

ARTICLE XI

COVENANTS FOR ASSESSMENTS

Section 11.01 **CREATION OF THE LIEN AND PERSONAL OBLIGATIONS FOR ASSESSMENTS.** Each Owner, (except the Developer or its lessees), whether or not it shall be

so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Developer or the Association as provided below the following: (1) annual assessments or charges ("Annual Assessment" or "Regular Annual Assessment"); and (2) special assessments or charges for the purposes set forth in this Article ("Special Assessment"), both such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with interest thereon at a rate per annum equal to ten percent (10%) from the date of delinquency until collected (unless waived by the Board), and the cost of collection thereof, including reasonable attorneys' fees, shall also be the personal obligation of the Owner of such real property at the time when the assessment first becomes due and payable. In the case of co-ownership of a Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment, interest, penalties, and cost of collection. If an assessment is not paid within forty-five (45) days after the due date, such assessment shall then be delinquent and interest shall be added to the amount as provided herein and a penalty in an amount to be determined annually by the Board of Directors of the Association and consistently applied shall be added to such assessment, and further, the Association may bring an action at law against the Owner personally, and there shall be added to the amount of such assessment the Association's actual attorneys' fees and disbursements related to such action. In the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and such actual counsel fees and disbursements together with the costs of the action. Assessments shall be due and payable in advance and in the manner and at such dates as determined by the Board of Directors of the Association on or before the first day of the calendar year for which the assessment is due.

Section 11.02 PURPOSE OF THE ASSESSMENTS AND PAYMENT TO DEVELOPER. Notwithstanding any provision contained herein, until such time that the Developer has in fact conveyed to the Association all of the Common Properties, all assessments of any nature provided for herein shall be due and payable to the Developer, its successors or assigns, and all rights hereby established in behalf of the Association, including all remedies in event of default by an Owner, shall accrue to the benefit of the Developer. The assessments levied by the Association or Developer shall be used for the improvement, replacement, maintenance, repair, enhancement, enlargement and operation of the recreational amenities, roads and roadways (within or leading to or from the Property), sidewalks or walkways, paths, boardwalks, bridges, Steelwood Lake and its related waterways and dam, security systems, patrols and gates, insect control, vegetation control, drainage systems and similar purposes which are for the benefit of Property Owners, including Common Properties, and to provide all services which the Developer or Association is authorized to provide hereunder; including, but not limited to, payment of taxes and insurance, cost of labor and equipment, erosion control devices, materials, management supervision, accounting and Property Owner information services, repayment of loans and such other action as is necessary to carry out its authorized functions.

Section 11.03 APPLICATION OF "MAXIMUM" ASSESSMENT. The Annual Assessments, as set forth in the schedule hereinbelow, and as annually increased pursuant to the provisions of subparagraph (c) below ("Maximum Regular Annual Assessment"), shall be levied by the Association or by the Developer as provided herein. If, however, the Board of Directors of the Association, by majority vote, determines that the important and essential functions of the Association may be properly funded by Annual Assessments less than those set out below, it may levy such lesser assessments. However, so long as the Developer is engaged in the development of properties which are subject to the terms of this Declaration, the Association may not reduce Annual Assessments below those set out in subparagraph (a) of this Section without the prior written consent of the Developer. The levy of Annual Assessments less than the Maximum Regular Annual Assessments in one year shall not affect the Board's right to levy the Maximum Regular Annual Assessments in subsequent years. If the Board of Directors shall levy less than the Maximum Regular Annual Assessments for any assessment year and if thereafter, during such assessment year, the Board of Directors shall determine that the important and essential functions of the Association cannot be funded by such lesser assessments, the Board may, by majority vote, levy supplemental assessments.

(a) The regular annual assessment for the year ending December 31, 1997 is Two Thousand And No/100 (\$2,000.00) Dollars payable in quarterly installments, including a Twenty-Five And No/100 (\$25.00) Dollars late charge if such quarterly payment is over forty-five (45) days delinquent. The Maximum Regular Annual Assessment shall be the sum determined by the Board of Directors; however, the Board of Directors can only raise the annual assessments each year a maximum of ten percent (10%).

(b) All Assessments charged by the Association shall be rounded to the nearest dollar.

(c) The Maximum Regular Annual Assessment for Improved Lots and for Unimproved Lots may be increased, adjusted or reduced from year to year by the Board of Directors of the Association as the needs of the Property, in the Board's sole judgment, may require.

Section 11.04 SPECIAL ASSESSMENTS FOR IMPROVEMENTS AND ADDITIONS. In addition to the Maximum Regular Annual Assessment authorized herein, the Association may also levy Special Assessments against the Property Owners for the following purposes:

(a) construction or reconstruction, repair or replacement of capital improvements upon the Common Properties including the necessary fixtures and personal property related thereto;

(b) additions to the Common Properties;

(c) facilities and equipment required to offer the services authorized herein; and

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(d) repayment of any loan made by the Association to enable it to perform the duties and functions authorized herein.

(e) repair, maintenance, or improvement of any property or improvement which is used by the Association or which may enhance the Property and the surrounding Property.

The proportion of each Special Assessment to be paid by the Owners of the assessable property shall be equal to their respective proportions of the Annual Assessments made for the assessment year during which such Special Assessments are levied.

Section 11.05 RESERVE FUNDS. The Association may establish reserve funds from its Annual Assessments to be held in reserve in an interest drawing account or in obligations of the United States, State of Alabama, or any agency of either, or in Triple A debt, or in prime commercial paper with a maturity of not more than nine (9) months, as a reserve for (a) major rehabilitation or major repairs, (b) emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss, (c) recurring periodic maintenance, and (d) initial costs of any new service to be performed by the Association.

Section 11.06 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. Notwithstanding anything in the foregoing to the contrary, the Annual Assessments provided for herein shall commence upon the recording of this Declaration in the Public Records.

Section 11.07 DUTIES OF THE BOARD OF DIRECTORS.

The Board of Directors of the Association shall fix the amount of the Annual Assessment against each Lot, in accordance with the assessment schedule as provided hereinabove, and shall at that time, direct the preparation of an index of the properties and assessments applicable thereto which shall be sent promptly to every Member subject thereto.

The Association shall upon written demand from any Owner at any time furnish to such Owner liable for any assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence against all but the Owner of payment of any assessment therein stated to have been paid.

Section 11.08 SUBORDINATION OF THE LIEN OF MORTGAGE. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage now or hereafter placed upon the properties subject to assessment; provided, however, that such a subordination shall apply only to the assessments occurring subsequent to the date such mortgages becomes of record and, provided further that upon a sale or transfer of such property pursuant to foreclosure, or any other proceeding or deed in lieu of foreclosure, the title acquired by the purchaser of such property shall be subject to the lien of such subsequent assessments.

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Section 11.09 **EXEMPT PROPERTY**. The following property, individuals, entities, partnerships, or corporations subject to this Declaration shall be exempted from the assessments, charges and lien created herein:

- (a) the Developer and any Lot(s) owned by the Developer (including Lodge or Villa Lots);
- (b) the grantee in conveyances made for the purpose of granting utility and drainage easements;
- (c) the Common Properties; and
- (d) property which is used in the maintenance and service of facilities within Common Properties, or by non-profit, governmental or charitable institutions.

Section 11.10 **ANNUAL STATEMENTS**. The President, Treasurer, or such other officer as may have custody of the funds of the Association, within ninety (90) days after the close of each fiscal year of the Association, shall prepare and execute general itemized statements as of the close of such fiscal year showing the actual assets and liabilities of the Association, and a statement of revenues, costs and expenses. The name of any creditor to which an amount of more than Two Hundred Fifty and No/100 Dollars (\$250.00) is owed by the Association shall be set out in such statement. The Association shall furnish to each Member of the Association who may make a request therefor in writing, a copy of such statement within thirty (30) days after receipt of such request. Such copies may be furnished to the Member either in person or by mail.

Section 11.11 **ANNUAL BUDGET**. The Board of Directors shall cause to be prepared and make available at the office of the Association to all Members at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for such fiscal year. The financial books of the Association shall be available for inspection at the office of the Association by all Members at all reasonable times.

ARTICLE XII

FUNCTIONS OF ASSOCIATION

Section 12.01 **OWNERSHIP AND MAINTENANCE OF COMMON PROPERTIES**. The Association shall be authorized to own and/or operate and maintain Common Properties and equipment, furnishings, and improvements devoted thereto. Land included in "Common Properties" shall be used in the manner set forth by the Developer and/or the Association.

Section 12.02 **SERVICES**. The Association shall be authorized, but not required, to provide the following services:

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(a) employment of a manager, an independent contractor, or such other employees as are necessary to perform services for the Association;

(b) cleanup and maintenance of all roadways, road medians and Common Properties within or adjacent to the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole;

(c) landscaping and landscape maintenance of roadways, sidewalks, and walking and bicycle paths and any Common Properties;

(d) lighting of roadways, sidewalks and paths through the Property;

(e) police protection and security, including but not limited to the employment of police and security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Property and assistance in the apprehension and prosecution of persons who violate the laws of Alabama, the United States, or other governing body within the Property;

(f) fire protection and prevention;

(g) garbage and trash collection and disposal;

(h) insect and pest control to the extent that it is necessary and desirable in the judgment of the Board of Directors of the Association;

(i) provision of legal and scientific resources for the improvement of air and water quality within the Property;

(j) provision of safety equipment for storm emergencies;

(k) construction of improvements on Common Properties for use for any of the purposes or as may be required to provide the services as authorized in this Article;

(l) provision of administrative services including but not limited to legal, accounting and financial services; and communication services informing Members of activities, notice of meetings, referenda and other matters incident to the above listed services;

(m) provision of liability and hazard insurance covering improvements and activities on the Common Properties;

(n) provision of water, sewage and any necessary utility services not provided by a public body, private utility or the Developer;

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(o) provision of maintenance of water pollution and shoreline erosion abatement measures;

(p) exercise of any rights reserved by the Developer and transferred by the Developer to the Association including but not limited to all rights and functions of the Developer under the General Covenants; and

(q) taking of any and all actions necessary in the discretion of the Board of Directors to enforce this Declaration and all other covenants and restrictions affecting the properties of the Association and to perform any of the functions or services delegated to the Association in this Declaration or other covenants or restrictions or authorized by the Board of Directors.

Section 12.03 **REDUCTION OF SERVICES**. The Board of Directors of the Association shall periodically define and list a minimum level of services of the sort described above to be furnished by the Association in any given year.

Section 12.04 **OBLIGATIONS OF THE ASSOCIATION**. The Association shall not be obligated to carry out or offer any of the functions or services specified by the provisions of this Article. The functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association or set forth in the By-Laws taking into consideration the funds available to the Association and the needs of the Members of the Association.

Section 12.05 **MORTGAGE AND PLEDGE**. The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association to perform its authorized functions. The Developer may make loans to the Association, subject to approval by the Developer of the use to which such loan proceeds will be put and the terms pursuant to which such loans will be repaid. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the Maximum Regular Annual Assessments at any time there are outstanding any amounts owing the Developer from loans made by the Developer to the Association.

Section 12.06 **TRANSFER OF AUTHORITY**. This Declaration provides the Developer with various controls and rights, to be exercised (if at all) at the discretion of the Developer. This Declaration further provides that any of the Developer's rights and powers set forth herein may be specifically assigned to the Association or other designee. In the event that such powers are assigned of record to the Association, the Association shall accept such transfer and promptly provide for appropriate procedures to perform its obligations pursuant to the powers transferred to it.

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ARTICLE XIII

ARCHITECTURAL STANDARDS AND RESTRICTIONS

Section 13.01 **BOARD**. Upon assignment of the architectural control function by the Developer to the Association, the Association shall appoint an Architectural Review Board composed of up to five (5), but not less than three (3), people, all of whom shall be appointed by the Board of Directors of the Association. At least one (1) Member of the Association other than the officers, employees or agents of the Developer shall be a member of the Architectural Review Board. The Board of Directors of the Association may establish the rules of procedure for the Architectural Review Board in connection with the General Covenants.

Section 13.02 **ARCHITECTURAL REVIEW AND APPROVAL FOR THE PROPERTY**. Prior to assignment of the architectural control functions described in this Declaration by the Developer to the Association, such function shall be carried out by the Developer or its designees. Upon assignment by the Developer of architectural control functions to the Association with respect to any Lot within the Development, the Architectural Review Board shall function to ensure compliance with the restrictions set forth herein and shall in all respects with regard to such Lot succeed to the powers of the Developer with respect to architectural review and approval. The Architectural Review Board shall have the general rights of enforcement as set forth in this Declaration, including without limitation, the right to enjoin violations.

Section 13.03 **TRANSFER OF ARCHITECTURAL REVIEW AND APPROVAL**. The Developer may assign its architectural control functions as provided in this Declaration, including those set forth herein, at any time. The Association shall be required to accept such assignment and comply with the provisions contained in this Declaration.

Section 13.04 **PURPOSE**. In order to preserve and enhance the natural setting, beauty and utility of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development and its environment, the Lots, and all improvements located therein or thereon shall be subject to the restrictions set forth in this Declaration. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Declaration.

Section 13.05 **PERMITTED IMPROVEMENTS**. No improvements of any nature whatsoever shall be constructed, altered, added to, painted, stained, or maintained upon any part of the Development, except (a) for dwellings and other improvements which are constructed by the Developer, (b) such improvements as are approved by the Architectural Review Board in accordance with this Declaration, or (c) improvements which do not require the consent of the Architectural Review Board.

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Section 13.06 CONSTRUCTION OF IMPROVEMENTS.

(a) To assure that dwellings and other structures will be located so that the maximum view, privacy, and breeze will be available to each dwelling or structure, dwellings and structures will be located with regard to the topography of each Lot taking consideration the location of trees and vegetation and other aesthetic and environmental considerations, as well as the precise site and location of any other dwellings or structures within the Development.

(b) The Architectural Review Board, in its sole discretion may require that any contractor and/or subcontractor, exclusive of those of Developer, for any planned improvements within the Development post payment and/or performance bonds with the Architectural Review Board to assure that such contractor or subcontractor shall satisfactorily complete such improvements, such bonds to be in the name of the Association and to be in form and amount satisfactory to the Architectural Review Board. In the event that such improvements or landscaping are not completed in accordance with approved plans and specifications and within the provided periods, the Architectural Review Board shall be entitled to collect on or enforce any payment or performance bonds required hereunder so as to ensure the proper completion of any such improvements.

Section 13.07 ARCHITECTURAL APPROVAL. To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner, other than Developer, with respect to the construction or exterior of any dwelling or with respect to another portion of the Development, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, swing sets, playground equipment, fences, walls, playhouses, awnings, walls, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data shall have been submitted to and approved in writing by the Architectural Review Board as to the general character and the harmony of external design, location, and appearance in relation to surrounding structure, vegetation and topography. The related data to be submitted to the Architectural Review Board shall include, without limitation, the name of the general contractor to be used by the Owner; a survey showing the topography of such Lot, the location of trees at least four (4) inches in diameter at a height of four (4) feet, other significant vegetation on such Lot, the location of not less than two (2) iron pins placed on the boundary of the Lot, the location of (or any proposed relations of) the driveway; and the nature, color, type, shape, height, materials, and location of the proposed improvements. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Architectural Review Board, and the other copy shall be returned to the Owner marked "approved" or "disapproved." The Architectural Review Board shall establish a fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys retained in accordance with the terms hereof.

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The fee initially established for such review shall be \$150.00 for submission, and the Architectural Review Board shall have the right to increase or decrease this amount from time to time. Notwithstanding the foregoing, an Owner may make interior improvements and alterations within their dwelling without the necessity of approval or review by the Architectural Review Board. The Architectural Review Board shall have the sole discretion to determine whether plans and specifications and the general contractor submitted for approval are acceptable to the Association. Following approval of any plans and specifications by the Architectural Review Board, representatives or agents of the Architectural Review Board shall have the right during reasonable hours to enter upon and inspect any Lot, dwelling, or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved and are being complied with. In the event the Architectural Review Board shall determine that such plans and specifications have not been approved or are not being complied with, the Architectural Review Board shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the Architectural Review Board fails to approve or disapprove in writing any proposed plans and specifications or the general contractor within forty-five (45) days after such plans and specifications and the name of the general contractor have been submitted, such plans and specifications and the general contractor will be deemed to have been expressly approved. Upon approval of plans and specifications and the general contractor, no further approval under this Article shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g., clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications and the general contractor by the Architectural Review Board may be based upon any grounds consistent with the objects and purposes of this Declaration, including purely aesthetic considerations.

Section 13.08 LANDSCAPING APPROVAL. No landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner, other than the Developer, unless and until the plans therefor have been submitted to and approved in writing by the Architectural Review Board. The provision of Section 13.07 hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Such plans shall include a calculation of the area to be covered by grass lawns versus the area to be left in a nature state, and the Architectural Review Board shall be entitled to promulgate standard with respect to such coverages. The landscaping plan for any Lots adjacent to golf courses shall be in general conformity with the overall landscaping of such golf course.

No Owner, other than Developer, shall be entitled to cut, remove, or mutilate any trees, shrubs, bushes, or other vegetation having a trunk diameter of four (4) inches or more at a point of four (4) feet above ground level, without obtaining the prior approval of the Architectural Review Board, provided that dead or diseased trees which are inspected and certified as dead or diseased by the Architectural Review Board or its representative, as well as other dead or diseased shrubs, bushes, or other vegetation, shall be cut and removed promptly from any Lot or dwelling

by the Owner of such Lot. All of the landscaping of Lots must be completed within ninety (90) days of issuance of a certificate of occupancy.

Section 13.09 ARCHITECTURAL AND DESIGN REVIEW

(a) **OBJECTIVES.** Architectural and design review shall be directed toward attaining the following:

- (1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural landforms.
- (2) Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Lots, with surrounding Lots and structures, and do not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.
- (3) Ensuring that the architectural design of structures and their materials and colors are visually harmonious with the Development's overall appearance, with the surrounding development, with natural landforms and native vegetation, and with development plans, officially approved by the Developer, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located.
- (4) Ensuring the plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots and blend harmoniously with the natural landscape.
- (5) Ensuring that any development, structure, building or landscaping complies with the provisions of these Covenants.

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(6) Promoting building design and construction techniques that respond to energy consumption and environment quality considerations such as heat loss, air emissions, and run-off water quality.

(b) **ARCHITECTURAL AND DESIGN GUIDELINES.** The Developer may publish Architectural and Design Review Guidelines from time to time which will set forth minimum criteria and controls for construction of improvements on the Property. In order to further carry out the objectives set forth in this Section, the Architectural and Design Review Guidelines will provide for Lot line setbacks, Lot coverage and clearing limitations, and specify types of materials approved for incorporation in the exterior construction of structures. All plans submitted to the Developer must incorporate the provisions of these Guidelines prior to the Developers becoming obligated to review the plans, and the failure by the Developer to review non-conforming plans shall not be deemed a waiver of any of the provisions of this Section.

Section 13.10 **SETBACK AND SIDE LINE REQUIREMENTS.** All buildings built on any Lot in the Development shall comply with the minimum setback and side yard restrictions as imposed upon all Lots as set forth in the applicable Architectural Design Guidelines and the recorded Plat. Such setback restrictions shall be a covenant running with the land.

ARTICLE XIV

GOLF COURSE

Section 14.01 **OWNERSHIP AND OPERATION OF GOLF COURSE.** All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Developer or any other person with regard to the continuing existence, ownership or operation of the Golf Course, if any, and no purported representation or warranty in such regard, either written or oral, shall be effective without an amendment to this Declaration executed or joined into by the Developer. Further the ownership and/or operation of the Golf Course, if any, may change at any time and from time to time by virtue of, but without limitation, (a) the sale or lease to or assumption of operations of the Golf Course by an independent entity or entities; (b) the creation or conversion of the ownership and/or operating structure of the Golf Course whereby the Golf Course or the rights to operate it are transferred to an entity which is owned or controlled by its members; or (c) the transfer of ownership or control of the Golf Course to one or more affiliates, shareholders, employees, lessees, or independent contractors of the Developer. No consent of the Association or any Owner shall be required to effectuate such transfer or conversion.

Section 14.02 **RIGHT OF USE.** Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and

conditions, as may be determined from time to time by the owner or operator of the Golf Course. The owner of the Golf Course shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

Section 14.03 VIEW IMPAIRMENT. Neither the Developer, the Association nor the owner or operator of the Golf Course guarantees or represents that any view over and across the Golf Course from adjacent Lots will be preserved without impairment. The Developer or the owner of the Golf Course shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the tees, bunkers, fairways and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

Section 14.04 LIMITATIONS ON AMENDMENTS. In recognition of the fact that the provisions of this Article are for the benefit of the owner or lessee of the Golf Course, no amendment to this Article, and no amendment in derogation of any rights reserved or granted to the owner of the Golf Course by other provisions of this Declaration, may be made without the written approval of the owner of the Golf Course. The foregoing shall not apply, however, to amendments made by the Developer.

Section 14.05 JURISDICTION AND COOPERATION. It is the Developer's intention that the Association and the owner of the Golf Course shall cooperate to the maximum extent possible in the operation of the Development and the Golf Course. Each shall reasonably assist the other in upholding the community wide standard. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Course.

ARTICLE XV

GENERAL PROVISIONS

Section 15.01 DURATION. All covenants, restrictions, and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them specifically including, but not limited to, the successors and assigns, if any, of the Developer for a period of thirty (30) years from the execution date of the Declaration after

which time all said covenants shall be automatically extended for successive periods of ten (10) years each, unless changed in whole or in part by an instrument signed by the Owners of two thirds (2/3) of the Lots.

Section 15.02 AMENDMENTS. The Developer specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion, for a period of two (2) years from the date hereof, so long as the voting power of existing Members is not diluted thereby, nor the relative amounts of Assessments of such existing Members are raised or changed in any manner which would adversely affect such Members. Thereafter, the procedure of amendment shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called special meeting of the Association and any such proposed amendment shall be deemed approved if at least sixty-six and two-thirds percent (66 2/3 %) of the votes by each class cast at such meeting vote in favor of such proposed amendment. If any proposed amendment to this Declaration is approved by each class of the Members as set forth above, the President and Secretary of the Association shall execute an amendment to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted) the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt the amendment, the total number of votes by each class cast in favor of such amendment, and the total number of votes by each class cast against the amendment. Such amendment shall be made of record.

Section 15.03 ENFORCEMENT. This Declaration shall be enforceable by the Association, the Developer, the Architectural Review Board, or any Member of the Association by a proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and to enforce any lien created by this Declaration; and failure by the Association or any Member or the Developer to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right of any of the foregoing to enforce the same thereafter.

Section 15.04 INTERPRETATION. The Board of Directors of the Association shall have the right to determine all questions arising in connection with this Declaration, and to construe and interpret its provisions, and the determination of the Board shall be final and binding.

Section 15.05 SEVERABILITY. Should any covenant or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

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Section 15.06 AUTHORIZED ACTION. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 15.07 NOTICE. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the address of such Member appearing on the Association's Membership list not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered. Notice to one or more co-owners or co-tenants of a Lot shall be considered notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member following the first day of the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to such Member's predecessor in title.

Section 15.08 LIMITED LIABILITY. In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Developer contemplated under this Declaration, the Developer shall not be liable to an Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way relating to the subject matter of any such review, acceptance, inspection, permission, consent, or required approval, whether given, granted, or withheld.

Section 15.09 TERMINATION OF ASSOCIATION. In the event that this Declaration is declared to be void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, or if the Members of the Association should vote not to renew and extend this Declaration as provided for herein, all Common Properties owned by the Association at such time shall be transferred to a Trustee appointed by the Circuit Court of Baldwin County, Alabama, which Trustee shall own and operate said Common Properties for the use and benefit of Owners within the Property as set forth below:

(a) Each Owner of any Lot shall be subject to an annual assessment which shall be paid by the Owner to the Trustee. The amount of such annual assessment and its due date shall be determined by the Trustee, in accordance with the provisions of this Declaration.

(b) The Trustee shall be required to use the funds collected as annual assessments for the operation, maintenance, repair and upkeep of the Common Properties as provided in this Declaration. The Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided. Trustee shall not have the obligation to provide for the operation, maintenance, repair and upkeep of the Common Properties once the funds provided by the Annual Assessments have been exhausted.

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Section 15.10 **ADDITIONAL RESTRICTIONS.** The Developer hereby reserves the right to add additional restrictive covenants in the future which may apply to any portion of the Property which has not been conveyed by the Developer to any grantee.

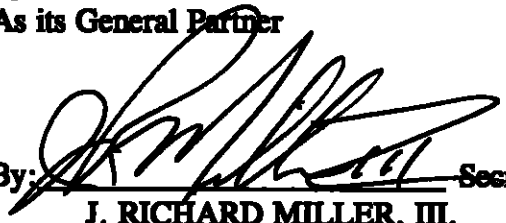
Section 15.11 **SUCCESSORS TO DEVELOPER.** The Developer reserves the right to assign to the Association or to any other entity any of its rights or functions reserved in these Covenants including, but not limited to, its rights to approve (or disapprove) plans and specifications of proposed improvements, its right to amend this Declaration, and its rights of enforcement.

Section 15.12 **CAPTIONS.** The captions in this Declaration are for convenience only and are not a part of this Declaration and do not in any way limit or amplify the terms and provisions of this Declaration.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed on the day and year first set forth above.

STEELWOOD, LTD.,
an Alabama limited partnership

By: R.M. INVESTMENTS, INC.,
As its General Partner

By:  Secretary
J. RICHARD MILLER, III,
As its President

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STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned notary public in and for said state and county, hereby certify that J. RICHARD MILLER, III, whose name as President of R.M. INVESTMENTS, INC., an Alabama corporation, as general partner of STEELWOOD, LTD., an Alabama partnership, 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 partnership on the day the same bears date.

GIVEN under my hand and seal this 11th day of October, 1997

Carol W. Merchant
NOTARY PUBLIC

My commission expires:

My Commission
Expires 6-14-98



This Instrument Prepared by:
Joseph P. Jones, Jr., Esq.
Sirote and Permutt, P.C.
One St. Louis Centre, Suite 1000
Post Office Drawer 2025
Mobile, Alabama 36652-2025
Tel. (334) 432-1671

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STATE OF ALABAMA
SHELBY COUNTY
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**FIRST SUPPLEMENT TO AND AMENDMENT OF
THE**

**DECLARATION OF RIGHTS, COVENANTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
A PLANNED UNIT DEVELOPMENT,
DATED OCTOBER 1, 1997**

December 1, 1998

This instrument prepared by:
David A. Ryan, Esq.
Hand Arendall, L.L.C.
111 West Laurel Avenue
Foley, Alabama 36535
(334-970-5511)

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FIRST SUPPLEMENT TO AND AMENDMENT OF

THE

**DECLARATION OF RIGHTS, COVENANTS,
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
A PLANNED UNIT DEVELOPMENT,
DATED OCTOBER 1, 1997**

This First Supplement to and First Amendment (this "First Supplement and Amendment") of the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to Steelwood, Unit One, a Planned Unit Development, Dated October 1, 1997 (the "Original Declaration") is made and entered into this 1ST day of December, 1998 by Steelwood, Ltd., an Alabama limited partnership (the "Developer") and is applicable to both Steelwood, Unit One, a portion of a planned unit development and the Villas at Steelwood, a portion of a planned unit development (the "Development").

WITNESSETH:

WHEREAS, heretofore, on or about October 6, 1997, Developer recorded on Slide 1762A, 1762B through 1763A in the records of the Office of the Judge of Probate of Baldwin County, Alabama, a subdivision plat (the "Plat") pertaining to certain real property owned by Developer in Baldwin County, Alabama, and known as Steelwood, Unit One, a portion of a planned unit development, as more particularly described in the Original Plat (the "Original Property" or "Original Development");

WHEREAS, heretofore, on or about October 9, 1997, Developer recorded in Misc. Book 95, Pages 1449 through 1495, of the Office of the Judge of Probate of Baldwin County, Alabama, the Original Declaration to be applicable to the Original Property in the manner prescribed therein;

WHEREAS, the Original Declaration contemplated, in Article II and Article XV thereof, that it may be supplemented and amended so that the Developer may (i) bring within the Original Declaration additional property to be subject to the terms and conditions of the Original Declaration, (ii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to such additional property and (iii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to all property subject thereto (both the Original Property and such additional property).

WHEREAS, the Developer desires, pursuant to Article II and Article XV of the Original Declaration, and by and through the execution and recordation of this First Supplement and Amendment and the recordation of a subdivision plat for the Villas at Steelwood, a portion of a

planned unit development (the "Villas at Steelwood Plat"), to supplement and amend the Original Declaration to (i) bring within the Original Declaration (as supplemented and amended hereby) the additional property described in the Villas at Steelwood Plat recorded on Slide 1849A in the records of the Office of the Judge of Probate of Baldwin County, Alabama (the "Additional Property") to be subject to the terms and conditions to the Original Declaration (as supplemented and amended hereby), (ii) create additions and modifications of the covenants and restrictions contained in the Original Declaration which are applicable to the Additional Property and (iii) create additions and modifications of the covenants and restrictions contained in the Original Declaration which are applicable to all property subject hereto (both the Original Property and the Additional Property);

WHEREAS, upon the execution and recordation of this First Supplement and Amendment, the Original Declaration shall be supplemented and amended as provided herein.

NOW, THEREFORE, THE DEVELOPER HEREBY DECLARES that the Original Property and the Additional Property are, and shall be, held, owned, transferred, sold, conveyed, given, purchased, leased, mortgaged and used subject to the easements, restrictions, covenants and conditions contained in the Original Declaration, as supplemented and amended by this First Supplement and Amendment (sometimes referred to hereinafter as the "Declaration"), which is for the purposes of protecting the value and desirability of, and which shall touch, concern and run with, the Original Property and the Additional Property, and be binding on all parties having any right, title or interest in such real property or any part thereof, as a holder of a mortgage, or otherwise, and their respective heirs, successors and assigns.

ARTICLE A

PURPOSE AND EFFECT OF FIRST SUPPLEMENT AND AMENDMENT

This First Supplement and Amendment, when executed and recorded in the Public Records of Baldwin County, Alabama, is intended to and shall:

- (i) Incorporate herein by reference, as if set forth in full herein, the Original Declaration, as the same shall be supplemented and amended herein;
- (ii) Supplement and amend the Original Declaration, in the manner provided herein; and
- (iii) Bring within the Declaration, including all restrictions and covenants contained herein, the Additional Property.

All capitalized terms which are contained in this First Supplement and Amendment and which are not specifically defined herein shall have the meanings ascribed to such terms in the Original Declaration. To the extent there shall exist any conflict between the provisions hereof and the provisions of the Original Declaration, the provisions hereof shall prevail unless the Developer, in the exercise of its sole discretion, shall elect to have the provisions of the Original Declaration prevail.

Upon its execution and recordation in the public records of Baldwin County, Alabama, and upon the recordation of the Villas at Steelwood Plat in the public records of Baldwin County, Alabama, the provisions of the Original Declaration, as supplemented and amended by this First Supplement and Amendment, shall be applicable to all Lots, including the Original Lots and Villa Lots (as the Original Lots and Villa Lots are defined herein), unless otherwise expressly provided herein. Pursuant to the terms and conditions hereof, certain provisions of the Original Declaration, as supplemented and amended by this First Supplement and Amendment, may be applicable solely to the Original Lots or may be applicable solely to the Villa Lots, all as further described herein.

ARTICLE B

CERTAIN DEFINITIONS

In this First Supplement and Amendment, the following terms shall have the meanings ascribed to them set forth below:

Section B.01 Modification of Existing Defined Terms. The definitions of the following terms that are defined in the Original Declaration are hereby amended in the following manner:

- (a) The definition of "Common Property" or "Properties" or "Common Area" contained in Section 1.05 of the Original Declaration is hereby deleted in its entirety, and in lieu thereof, the following is hereby substituted:

"COMMON PROPERTY OR PROPERTIES OR COMMON AREA shall mean and refer to that certain real and/or personal property which may be conveyed to the Association by the Developer in accordance with this Declaration, as supplemented and amended, and shall also mean and refer to the real property that is designated as Common Property or Common Area or otherwise not dedicated for use as Lots for residential dwellings or as wilderness areas on the Original Plat and the Villas at Steelwood Plat."

- (b) The definition of "Lodge" or "Villa" contained in Section 1.10 of the Original Declaration is hereby deleted in its entirety, and in lieu thereof, the following is hereby substituted:

"LODGE shall mean and refer to any numbered and delineated lots or parcels shown on the Plat, or amendments or additions to the Plat, to be used for lodging and/or meetings by the Developer, its guests, invitees, tenants, lessees, agents, successors and assigns."

- (c) The definition of "Lot" contained in Section 1.11 of the Original Declaration is hereby deleted in its entirety, and in lieu thereof, the following is hereby substituted:

“**LOT** shall mean and refer, collectively, to any of the fifty-four (54) numbered and delineated parcels shown on the Original Plat to be used for single-family dwelling units and any of the fifty (50) numbered and delineated parcels shown on the Villas at Steelwood Plat to be used for single-family dwelling units and any additional parcels of property that are subjected to this Declaration pursuant to Article II hereof, regardless of whether all or any portions of such additional parcels of property are numbered and delineated on a subdivision plat.”

Section B.02 Additional Defined Terms. The following defined terms are hereby incorporated into the Declaration:

“**ORIGINAL LOT** shall mean and refer to any of the delineated parcels shown on the Original Plat and numbered one (1) through fifty-four (54), and to be used for single-family dwelling units.

“**VILLA LOT** shall mean and refer to any of the delineated parcels shown on the Villas at Steelwood Plat and numbered one (1) through fifty (50), and to be used for single-family dwelling units.”

In addition to the foregoing, the terms which are described in the recitals of this First Supplement and Amendment shall have the meaning ascribed to such terms therein.

ARTICLE C

FUTURE DEVELOPMENT AND ADDITIONS TO THE PROPERTY

Section 2.02(a). Additions, of the Original Declaration is hereby amended to include, as the last grammatical sentence thereof, the following:

“Any supplementary declaration which serves to subject additional property to this Declaration, with such additional property being subject to the same terms and conditions applicable to all property which is subject to this Declaration, or which creates additional terms and conditions that are applicable only to such additional property, shall be deemed a supplement to this Declaration and not an amendment hereof, such that the Developer shall not be required, under any circumstances whatsoever, to obtain the consent or affirmative vote of any Member as contemplated in Article XV hereof.”

ARTICLE D

AMENDMENTS TO GENERAL COVENANTS

The covenants and restrictions contained in Article III, General Covenants, of the Original Declaration, is hereby amended in the following manner:

Section D.01 Signs and Mailboxes. Section 3.09 of the Original Declaration is hereby amended to include, as the second and third grammatical sentences thereof, the following:

"All address identification for Single Family Dwellings shall be limited to signage provided by the Developer and placed on each Lot in the manner specified by the Developer. All mail addressed to Single Family Dwellings shall be delivered to the location on the Property designated by the Developer."

Section D.02 Other Buildings, Vehicles and Boats. Section 3.10 of the Original Declaration is hereby amended to include, as the final grammatical sentence thereof, the following:

"No golf carts shall be allowed on the Property other than those provided by Steelwood, and all golf carts shall be utilized in accordance with all rules applicable to vehicular traffic. All golf carts shall be parked on Lots only in designated and screened parking areas."

Section D.03 Sewage Disposal. Section 3.16 of the Original Declaration is hereby amended to include, as the second and third grammatical sentences thereof, the following:

"All sewage systems on each Lot shall be equipped with a grinder pump for the purpose of facilitating the discharge of sewage from Single-Family Dwellings and into sewer mains, and the location of such grinder pumps shall be as close as is practically possible to the roadway accessing such Lot, with the exact location of such grinder pump to be determined by the Developer, and the type of grinder pump to be utilized to be subject to the prior written approval of Developer. From time to time the Developer may recommend a type of grinder pump which the Developer believes shall be best suited for the purposes described herein."

Section D.04 Water. Section 3.17 of the Original Declaration is hereby amended to include, as the final three grammatical sentences thereof, the following:

"Each water well shall be located as close as is practically possible to the roadway accessing the Lot serviced by such water well, and all components of such water well, including the pump motor and housing, shall be installed below the surface of the ground so as to not be visible from the roadway accessing such Lot. Any water holding tanks comprising a portion of a water well system shall be screened from view of the access roadway and adjoining Lots, and shall be located in the same vicinity as outside heat pumps or air conditioning units for the Single-Family

Dwelling located on such Lot. The exact location of each such water well shall be determined by the Developer.”

Section D.05 Driveways. Section 3.37 of the Original Declaration is hereby amended to include, as the final four grammatical sentences thereof, the following:

“The driveway for each Lot shall be constructed at the sole expense of the Owner of such Lot, including that portion of the driveway extending over the right-of-way and connecting the Lot to the access roadway. So as to promote uniformity in the appearance of driveways and an aesthetically pleasing appearance, driveways located on Lots shall be constructed of concrete (scored or unscored), concrete pavers or brick pavers. In the event that any Owner selects concrete as a driveway material and desires to stain such concrete driveway, the color of such staining shall be subject to the prior written consent of the Developer. In the event that any Owner desires for such Owner’s driveway to be constructed of any material other than concrete (scored or unscored), concrete pavers or brick pavers, such Owner shall first be required to obtain the prior written consent of the Developer. The Developer, in the exercise of its sole discretion, may permit or prohibit the use of any driveway material other than concrete (scored or unscored), concrete pavers or brick pavers, or the use of any particular concrete driveway stain color, on any particular Lot while not imposing the same requirements on any other Lot, and the location and configuration of each driveway shall be subject to the Developer’s prior written approval.”

Section D.06 Additional General Covenants. The following shall constitute additional General Covenants applicable to all Lots:

“Section 3.38. UNDERGROUND GARBAGE CAN RECEPTACLES. Each Lot shall be equipped with an underground mechanized garbage can storage receptacle, of the type and design required by the Developer. Each such receptacle shall be located as close as is practically possible to the roadway accessing such Lot, with the exact location of such receptacle to be determined by the Developer.”

“Section 3.39 FENCING. Any and all fencing on any Lot shall be subject to the prior written consent of the Developer, and the Developer, in the exercise of its sole discretion, may permit or prohibit the use of fencing on any particular Lot while not imposing the same requirements on any other Lot, and the location, configuration, design and materials of any such permitted fencing shall be subject to the Developer’s prior written approval.”

ARTICLE E

PROVISIONS RELATED TO COMMON PROPERTY

Section 5.07, Rules and Regulations, of the Original Declaration is hereby deleted in its entirety, and in lieu thereof the following is hereby substituted:

“Section 5.07 RULES AND REGULATIONS. As provided herein, the Developer or the Association may make and enforce reasonable rules and regulations governing the use of the Lots, Wilderness Areas and Common Areas; provided however, notwithstanding anything contained herein to the contrary, the Developer, in the exercise of its sole discretion, may alone make and enforce rules and regulations governing the use of Steelwood Lake, the Golf Course and other Private Amenities, and the Association shall have no power or authority with respect thereto.”

ARTICLE F

COVENANTS FOR ASSESSMENTS

Section 11.02, Purpose of the Assessments and Payment to Developer, of the Original Declaration is hereby amended by the deletion therefrom the phrase “Steelwood Lake and its related waterways and dam”, with the effect of such deletion being to clarify that no Owner, solely by virtue of his or her ownership of a Lot and/or membership in the Association, may be assessed in any respect for the cost associated with maintaining, repairing or improving Steelwood Lake and its related waterways and dam.

ARTICLE G

GENERAL PROVISIONS

Section 15.02, Amendments, of the Original Declaration is hereby amended by the deletion therefrom of the first grammatical sentence in its entirety, and in lieu thereof the following is hereby substituted:

“The Developer specifically reserves the right to amend this Declaration, or any portion hereof, of its own motion, for a period of two (2) years from the date hereof, so long as the voting power of all Members (both existing Members and members resulting from bringing within this Declaration additional property pursuant to ARTICLE II hereof) versus the Developer is not diluted thereby, nor the relative amounts of Assessments of such existing Members are raised or changed in any manner which would adversely affect such Members.”

and is hereby further amended to include, as the final grammatical sentence thereof, the following:

“Notwithstanding the foregoing, in lieu of the requirement that a special meeting of the Association be called to amend this Declaration, any proposed amendment to this Declaration may be enacted if such amendment is consented to in writing by at least sixty-six and two-thirds percent (66 2/3%) of each class of Members permitted to vote on such amendment.”

ARTICLE H

The following Article is hereby incorporated into the Declaration as Article XVI thereof:

“ARTICLE XVI

RESTRICTIONS APPLICABLE TO VILLA LOTS

In addition to the general applicability to the Villa Lots of all of the covenants and restrictions contained in this Declaration, the Villa Lots shall also be subject to the additional restrictions and requirements contained in this Article XVI. To the extent that the provisions of this Article XVI conflict with any restrictions applicable to the Villa Lots contained in the Original Declaration, the provisions of this Article XVI shall prevail, unless the Developer shall determine otherwise in the exercise of its sole discretion. In the event that the restrictions contained in the Original Declaration are similar to any of the restrictions contained in this Article XVI, the more restrictive set of restrictions shall apply, unless the Developer shall determine otherwise in the exercise of its sole discretion.

Section 16.01 Fencing. The Developer, in the exercise of its discretion, may elect to construct fencing on one or more of the Villa Lots. In the event that the Developer shall elect to construct such fencing, such fencing shall be procured and installed at the expense of the Developer. Subsequent to the installation of such fencing, the Owner of the Villa Lot on which such fencing is installed will assume all responsibility for the continued maintenance of such fence in the condition as existed at the time such fencing was installed. The design, height, material type and structural components of such fencing shall be determined by the Developer in the exercise of its sole discretion. Any additional fencing sought to be installed on the Villa Lots shall be done so only in accordance with the provisions of **Section 3.39** of this Declaration.

Section 16.02 Area Parking. All Villa Lots will include an area (or areas) designated for the parking of vehicles and golf carts. Options available shall include traditional driveways to carports, pull off areas directly accessed from the street, parallel street side parking and stacked parking in Villa Lot driveways. Any and all parking areas shall be subject to the prior written approval of the Developer, and the existence and all aspects of the utilization of off-site parking within any portion of

the Common Area adjacent to the Villa Lots shall be determined and controlled by the Developer, in the exercise of its sole discretion.

Section 16.03 Acceptable External Materials. Acceptable external materials for Single-Family Dwellings constructed on Villa Lots will be limited to those typically available in 1900, including wood siding, wood shakes, authentic (peddle dash) stucco, brick and stone. "Hardi-plank" shall constitute the only acceptable imitation wood siding and no other imitation siding may be utilized. Roofs may be metal raised rib, stamped metal or dimensional asphalt shingles. The application of authentic (peddle dash) stucco shall be limited to foundation wall finish and on chimneys.

Section 16.04 Architectural Style. The architectural style of the Villa Lots shall be 19th Century southern vernacular, based on the prevalent design in the Natchez, Mississippi area. To facilitate the selection by Owners of acceptable architectural styles, the Developer shall supply from time to time preliminary design elevations that have been approved for construction on the Villa Lots. Such preliminary design elevations will have several alternatives available to allow similar house plans to be distinguished from each other. In the event that an Owner shall select a preliminary design elevation that has been approved for Villa Lot application, and shall not vary such preliminary design elevation more than fifteen percent (15%) (as determined by the Developer) when preparing final plans and specifications for Developer approval, and such plans and specifications are otherwise suitable for construction on the applicable Villa Lot (when considering the size of the Villa Lot, topographical features, the similarity of nearby Single-Family Dwelling and other factors considered relevant by the Developer), such plans and specifications will be deemed approved by the Developer or the Architectural Review Board, as applicable. No identical Single-Family Dwellings will be allowed and similar Single-Family Dwellings (as determined by the Developer) will be permitted only if they are separated by a minimum of six (6) Villa Lots between such similar Single-Family Dwellings. All Single-Family Dwellings will have at least two (2) porches with detail to include columns, railings and distinctive roof shapes. The minimal porch elevation shall be thirty (30") inches above grade.

Section 16.05 Set-Back and Build-To Lines. In order to further the goal of establishing consistency in the alignment of the fronts or backs of Single-Family Dwellings when they are prominent to the streets, Common Areas or the Golf Course, as applicable, the Developer may impose set-back or build-to lines applicable to the Villa Lots, which set-back or build-to lines may vary in the discretion of the Developer and which may be set forth in the Villas at Steelwood Plat.

Section 16.06 Building Size. All Single-Family Dwelling structures built on the Villa Lots shall have a minimum of twelve hundred (1,200) square feet of Enclosed Livable Area (not including verandas or porches) and a maximum of

twenty-four hundred (2,400) square feet of Enclosed Livable Area (not including verandas or porches).

Section 16.07 Site Evaluation. In determining the suitability of any particular proposed Single-Family Dwelling for a Villa Lot, the Developer, in addition to considering those applicable restrictions contained elsewhere in the Declaration, shall consider the extent to which trees and other vegetation will be destroyed by construction activities conducted on any particular Villa Lot, and may require any Single-Family Dwelling to be relocated or redesigned so as to minimize any such destruction.

Section 16.08 Special Construction Requirements. To facilitate the determination by the Developer of the suitability of any particular proposed Single-Family Dwelling for a specific Villa Lot and the exact location on such Villa Lot where such Single-Family Dwelling shall be located, all trees (regardless of size) sought to be removed to permit construction or as a component of an Owner's landscape plan shall be tagged with orange flagging tape prior to their removal. Furthermore, as a part of the architectural approval process, each Owner will be required to stake out the perimeter of the exact location of any proposed Single-Family Dwelling on any particular Villa Lot.

Section 16.09 Location of Sidewalks. All sidewalks located on the Villa Lots shall not enter onto streets or access roads, but shall enter onto driveways on such Villa Lots only.

Section 16.10 Right-of-Way Buffer. A buffer area within the right-of-way for streets accessing the Villa Lots shall be maintained by the Developer, and shall not be disturbed by Owners of Villa Lots. No mowing, pruning, planting, etc., shall take place within such buffer zone without the prior written consent of the Developer.

Section 16.11 Construction Restrictions. Because of the size of the Villa Lots and the lack of parking areas within the Villa Lots area for construction parking, the Developer may require that all construction vehicles and construction materials be maintained at a separate staging area designated by the Developer. This requirement shall be in addition to the general requirements applicable to construction on all Lots described in this Declaration. No concrete trucks shall be permitted on any Villa Lot, and concrete utilized on any Villa Lot shall be supplied to such property by a piping system that allows the concrete truck to supply concrete to the Villa Lot from an adjacent roadway.

Section 16.12 Landscape Requirements. In addition to the requirements for landscape plans otherwise contained in this Declaration, landscape plans for the Villa Lots shall indicate the use of various plant classifications, with the requirement that eighty percent (80%) of plant materials shall be indigenous to the Baldwin County, Alabama area. The minimum acceptable sizes for plant materials shall be as follows:

(i)	Trees:	6-8'	15 gallon container
(ii)	Shrubs:	18-20"	3 gallon container
(iii)	Ground cover:	15-18"	4 inch pot
(iv)	Native grasses:	8-10"	liners
(v)	Vines	15-18"	1 gallon

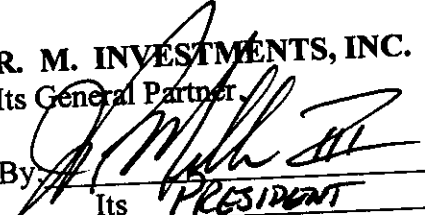
All Villa Lots will be sodded throughout all lawn areas, and will not be seeded or sprigged. A landscape plan, drawn to a scale of 1" = 10'0" shall be submitted, with such plan noting all trees to be preserved as well as removed, all areas to be sodded, all drainage patterns, all irrigation systems to be installed and other components deemed relevant by the Developer. All landscape plans shall include a north arrow and shall show the relation of the applicable Villa Lot to the adjacent Villa Lots, if any. All mulching materials utilized in planting beds on the Villa Lots shall be fresh pine straw or ground pine bark mulch. Because of the size of the Villa Lots and the desire of the Developer to create a "village" atmosphere, sodded lawn areas will be prevalent over natural areas as part of any acceptable landscape plan.

Section 16.13 Additional Rules and Regulations. The Developer, as it determines is in the best interests of facilitating a harmonious development of the Villa Lots in accordance with this Declaration, may adopt additional rules and regulations from time to time, which rules and regulations shall be applicable to all Villa Lots and the Owners thereof at the time of their adoption, without the necessity of incorporating such rules and regulations within this Declaration by their recordation in the public records of Baldwin County, Alabama."

IN WITNESS WHEREOF, the undersigned Developer has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

STEELWOOD, LTD., an Alabama limited partnership

By: **R. M. INVESTMENTS, INC.**
Its General Partner.

By: 

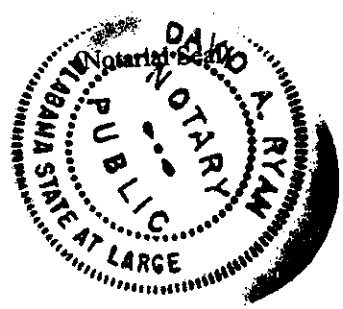
Its

PRESIDENT

STATE OF ALABAMA)
COUNTY OF BALDWIN)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that J. Richard Miller, whose name as President of R. M. Investments, Inc., an Alabama corporation and a general partner of Steelwood, Ltd., 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 said instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation.

Given under my hand and official, notarial seal this 1st day of December, 1998.



David A. Ryan
Notary Public, State of Alabama, County of Baldwin
My Commission Expires: 6-6-99

MISC0101 PAGE 1983

JOINDER BY MORTGAGEE

_____ Bank, owner of one or more of mortgages encumbering Steelwood Unit One, a planned unit development, does hereby join in this First Supplement and First Amendment to Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions applicable to Steelwood, Unit One, a planned unit development, and by doing so does hereby set forth its acknowledgment and agreement that its right as mortgagee are subject to the terms and conditions of such document.

_____ Bank,
a _____

By: _____
Its: _____

STATE OF ALABAMA)
COUNTY OF _____)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of _____, 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 said instrument, he/she, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation.

Given under my hand and official, notarial seal this _____ day of December, 1998.

(Notarial Seal)

Notary Public, State of Alabama, County of _____
My Commission Expires : _____

MISC0101 PAGE 1981

FOURTH SUPPLEMENT TO AND AMENDMENT OF
THE
DECLARATIONS OF RIGHTS, COVENANTS
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
THE VILLAS AT STEELWOOD, STEELWOOD, UNIT TWO, PHASE I,
STEELWOOD, UNIT TWO, PHASE II, THE CABINS AT STEELWOOD,
THE SUITES AT STEELWOOD, A CONDOMINIUM, AND UNIT THREE, STEELWOOD,
ALL PORTIONS OF A PLANNED UNIT DEVELOPMENT

This Fourth Supplement to and Amendment (the "Fourth Amendment") of the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to (i) Steelwood, Unit One, (ii) the Villas at Steelwood, (iii) Steelwood, Unit Two, Phase I, (iv) Steelwood, Unit Two, Phase II, (v) the Cabins at Steelwood, (vi) The Suites at Steelwood, a Condominium, and (vii) Unit Three, Steelwood, (hereinafter collectively referred to as the "Development") all portions of a planned unit development, is made and entered into this 16th day of October, 2002 by Steelwood, Ltd., an Alabama limited partnership (the "Developer") and is applicable to the Development.

WITNESSETH:

WHEREAS, heretofore, on or about October 6, 1997, the Developer recorded on Slide 1762A, 1762B through 1763A in the records maintained in the Office of the Judge of Probate of Baldwin County, Alabama, (the "Records") a subdivision plat (the "Plat") pertaining to certain real property owned by the Developer in Baldwin County, Alabama, and known as Steelwood, Unit One, a portion of a planned unit development (the "Original Property" or "Original Development"); and

WHEREAS, heretofore, on or about October 9, 1997, the Developer recorded in Misc. Book 95, Pages 1449 through 1495 in the Records the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to Steelwood, Unit One, a portion of a planned unit development (the "Original Declaration") to be applicable to the Original Property in the manner prescribed therein; and

WHEREAS, the Original Declaration contemplated, in Article II and Article XV thereof, that it may be supplemented and amended so that the Developer may (i) bring within the Original Declaration additional property to be subject to the terms and conditions of the Original Declaration, (ii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to such additional property and (iii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to all property subject thereto (both the Original Property and such additional property); and

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original

688336

Declaration, and by and through the execution and recordation of the First Supplement to and Amendment of the Original Declaration at Miscellaneous Book 101, Pages 1971 through 1984 of the Records (the "First Amendment") and the recordation of a subdivision plat for the Villas at Steelwood, a portion of a planned unit development at Slide 1849A (as subsequently amended at Slide 1880A (Instrument No. 484908)) in the Records (the "Villas at Steelwood Plat"), supplemented and amended the Original Declaration to (i) bring within the Original Declarations the additional property described in the Villas at Steelwood Plat (the "Villas Property") to be subject to the terms and conditions of the Original Declarations, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations which are applicable to the Villas Property and (iii) create additions and modifications of the covenants and restrictions contained in the Original Declaration which are applicable to all property subject thereto (both Original Property and the Villas Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment, and by and through the execution and recordation of the Second Supplement to and Amendment of the Original Declaration at Instrument 501169 of the Records (the "Second Amendment") and the recordation of a subdivision plat for Steelwood, Unit Two, Phase I at Slide 1904B (Instrument No. 500892) in the Records (the "Steelwood Unit Two, Phase I Plat") supplemented and amended the Original Declaration, as supplemented and amended by the First Amendment, to (i) bring within the Original Declarations, as supplemented and amended by the First Amendment, the additional property described in the Steelwood Unit Two, Phase I Plat (the "Steelwood Unit Two, Phase I Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented by the First Amendment, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented by the First Amendment, which are applicable to the Steelwood Unit Two, Phase I Property and (iii) create additions and modifications to the covenants and restrictions contained in the in the Original Declarations, as amended and supplemented by the First Amendment, applicable to all property subject thereto (each of the Original Property, the Villas Property and the Steelwood Unit Two, Phase I Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment and the Second Amendment, and by and through the execution and recordation of the Third Supplement to and Amendment of the Original Declaration at Instrument 663282 of the Records (the "Third Amendment") and the recordation of (i) a subdivision plat for Steelwood Unit Two, Phase II at Slide 2081-B (Instrument No. 662786) in the Records (the "Steelwood Unit Two, Phase II Plat"), (ii) a subdivision plat for The Cabins at Steelwood at Slide 2079-E (Instrument No. 661326) in the Records ("The Cabins at Steelwood Plat") and (iii) the Declaration of Condominium for The Suites at Steelwood, a Condominium, at Instrument No. 663925 (the "Suites Declaration") supplemented and amended the Original Declaration, as supplemented and amended by the First Amendment and the Second Amendment, to (a) bring within the Original Declarations, as supplemented and amended by the First Amendment and the Second Amendment, the additional property described in the Steelwood Unit Two, Phase II Plat (the

“Steelwood Unit Two, Phase II Property”), the additional property described in The Cabins at Steelwood Plat (the “Cabins at Steelwood Property”) and the additional property described in the Suites Declaration (the “Suites Property”) to be subject to the terms and conditions of the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, which are applicable to the Steelwood Unit Two, Phase II Property, the Cabin Property and the Suites Property and (iii) create additions and modifications to the covenants and restrictions contained in the in the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, applicable to all property subject thereto (each of the Original Property, the Villas Property and the Steelwood Unit Two, Phase I Property, the Steelwood Unit Two, Phase II Property, the Cabin Property and the Suites Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment, the Second Amendment and the Third Amendment, and by and through the execution and recordation of this Fourth Amendment and the recordation of a subdivision plat for Unit Three, Steelwood at Slide 2092-A (Instrument No. _____) in the Records (the “Unit Three Plat”) desires to further supplement and amend the Original Declarations, as supplemented and amended by the First Amendment, the Second Amendment and the Third Amendment (The Original Declaration, as supplemented and amended by the First, Second and Third Amendments hereinafter referred to as the “Amended Original Declaration”), to bring within the Amended Original Declaration the additional property described in the Unit Three Plat (the “Unit Three Property”)

WHEREAS, upon the execution and recordation of this Fourth Amendment, the Amended Original Declaration shall be supplemented and amended as provided herein.

NOW THEREFORE, THE DEVELOPER HEREBY DECLARES that the Original Property, the Villas Property, the Unit Two, Phase I Property, the Unit Two, Phase II Property, The Cabins at Steelwood Property, The Suites Condominium Property and the Unit Three Property are, and shall be, held, owned, transferred, sold, conveyed, given, purchased, leased, mortgaged and used subject to the easements, restrictions, covenants and conditions contained in the Amended Original Declaration, and as further supplemented and amended by this Fourth Amendment (sometimes referred to hereinafter collectively as the “Declarations”), which is for the purpose of protecting the value and desirability of, and which shall touch, concern and run with, the Original Property, the Villas Property, the Unit Two, Phase I Property, the Phase Two, Unit II Property, The Cabins at Steelwood Property, The Suites Condominium Property and the Unit Three Property, and which shall be binding on all parties having right, title or interest in such real property or any part thereof, as a holder of a mortgage, or otherwise, and shall also be binding upon their respective heirs, successors and assigns.

ARTICLE A

PURPOSE AND EFFECT OF FOURTH AMENDMENT

This Fourth Amendment, when executed and recorded in the Records is intended and shall:

- (i) Incorporate herein by reference, as if set forth in full herein, the Amended Original Declaration as the same shall be supplemented and amended herein;
- (ii) Supplement and amend the Amended Original Declaration in the manner provided herein; and
- (iii) Bring within the Amended Original Declaration, as supplemented and amended by this Fourth Amendment, including all restrictions and covenants contained therein and herein, the Unit Three Property.

All capitalized terms which are contained in this Fourth Amendment and which are not specifically defined herein shall have the meanings ascribed to such terms in the Amended Original Declaration. To the extent there shall exist any conflict between the provisions hereof and the provisions of the Amended Original Declaration the provisions hereof shall prevail unless the Developer, in the exercise of its sole discretion, shall elect to have the provisions of the Amended Original Declaration prevail.

Upon the execution and recordation of this Fourth Amendment in the Records and upon the recordation of the Unit Three Plat in the Records, the provisions of the Amended Original Declaration, as supplemented and amended by this Fourth Amendment, shall be applicable to all Lots, including the Original Lots, the Villa Lots, the Unit Two, Phase I Lots, the Unit Two, Phase II Lots, the Cabin Lots, and the Suites Condominium Units and the Unit Three Lots (as are defined herein), unless otherwise expressly provided herein. Pursuant to the terms and conditions hereof, certain provisions of the Amended Original Declaration, as supplemented and amended by the this Fourth Third Amendment, may be applicable only to certain Lots or Units within the Development, all as further described herein.

ARTICLE B

CERTAIN DEFINITIONS

Section B.01 Additional Defined Terms. The following defined term is hereby incorporated into the Declaration:

“UNIT THREE LOT” shall mean and refer to any of the delineated parcels shown on the Unit Three Plat and numbered one (1) through four (4), and to be used for Single-

Family Dwelling units.

In addition to the foregoing, the terms which are defined in the recitals of this Third Amendment shall have the meaning ascribed to such terms therein.

ARTICLE C

The following Article is hereby incorporated into the Declaration as Article XX thereof:

ARTICLE XX

RESTRICTIONS APPLICABLE TO UNIT THREE LOTS

In addition to the general applicability to the Unit Three Lots of all covenants and restrictions contained in the Declaration, as amended, the Unit Three Lots shall also be subject to the additional restrictions and requirements contained in this Article XVII. To the extent that the provisions of this Article XVII conflict with any restriction applicable to the Unit Three Lots contained in the Original Declaration, the provisions of this Article XX shall prevail as to the Unit Three Lots, unless the Developer shall determine otherwise in the exercise of its sole discretion. Except with respect to the square footage regulations, in the event that the restrictions contained in the Original Declaration are similar to any of the restrictions contained in this Article XX, the more restrictive set of restrictions shall apply, unless the Developer shall determine otherwise in the exercise of its sole discretion.

Section 20.01 Fencing, Walls, Hedges and Ornamental Structures. There shall be no fencing, wall, hedge or ornamental structures located, constructed or erected on any Unit Three Lot.

Section 20.02 Building Size. A Single-Family Dwelling structure located upon or to be built upon a Unit Three Lot shall have a maximum of seven thousand (7,000) square feet of Enclosed Livable Area (excluding verandas and porches) and a minimum of four thousand (4,000) square feet of Enclosed Livable Area (excluding verandas and porches).

Section 20.03 Preservation of Trees Topography and Vegetation. No tree having a diameter of six (6) inches or more (measured from a point two feet above ground level) shall be removed from any Unit Three Lot without the express written authorization of the Architectural Review Board. In order to protect the natural beauty of the vegetation and topography of the Unit Three Lots, written approval of the Architectural Committee is hereby required for the removal, reduction, cutting down, excavation, filling or alteration of any topographic and vegetation characteristics of a Unit Three Lot or to

change any landscaping feature on any Unit Three Lot. In carrying out the provisions of this Section, the Developer, the Association and the Architectural Review Board and the respective agents of each may come upon any Unit Three Lot during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any rules and regulations adopted and promulgated pursuant to the provisions hereof. Neither the Association, nor the Architectural Review Board, nor the Developer, nor their respective agents shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

Section 20.04 Set-Back and Build-To Lines. In order to further the goal of establishing consistency in the alignment of the fronts and backs of Single-Family Dwellings located, or to be located, upon the Unit Three Lots to the streets, Common Areas or the Golf Course, as applicable, the Developer may impose set-back or build-to lines applicable to the Unit Three Lots, which set-back or build-to lines may vary in the discretion of the Developer and which may be in addition to the applicable set-back lines set forth on the Unit Three Plat.

Section 20.05 Repair or Replacement of Damaged or Destroyed Structure. Each Owner, by accepting a deed for a Unit Three Lot covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of a dwelling located upon a unit Three Lot, the owner of such Unit Three Lot shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original plans and specifications for the structure located upon such Unit Three Lot. In the event that a structure located upon a Unit Three Lot is totally destroyed the Owner shall as quickly as possible clear the Unit Three Lot of any debris. Any replacement dwelling or structure to be built a Unit Three Lot shall be subject to the architectural requirements set forth in the Declarations and shall be of a similar style and character as the structures located on the surrounding Unit Three Lots.

Section 20.06 Additional Rules and Regulations. The Developer, as it determines is in the best interest of facilitating a harmonious development of the Unit Three Lots in accordance with this Declaration, may adopt additional rules and regulations from time to time, which rules and regulations shall be applicable to all Unit Three Lots and the owners thereof at the time of their adoption, without the necessity of incorporating such rules and regulations within this Declaration by their recordation in the Records.

IN WITNESS WHEREOF, the undersigned Developer has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

STEELWOOD, LTD., an Alabama limited partnership

By: R. M. Investments, Inc.
Its General Partner

By: [Signature]
Its: PRESIDENT

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned Notary Public, in and for said County, in said State, hereby certify that J. Richard Miller, III, whose name as President of R. M. Investments, Inc., an Alabama corporation, as general partner of Steelwood, Ltd., an Alabama limited partnership, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation acting in its capacity as general partner.

Given under my hand and seal this 16th day of October, 2002.



[Signature]
Notary Public

JOINDER BY MORTGAGEE

BankTrust, as successor to South Alabama Bank, owner of one or more mortgages encumbering the herein described real property does hereby join in this Fourth Supplement to and Amendment of the to the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to the Development. To the extent necessary, BankTrust consents to the filing of the Unit Three Plat.

DONE this 16th day of October, 2002.

BANKTRUST, as successor to South Alabama Bank

By: [Signature]

As its: Sr Vice Pres.

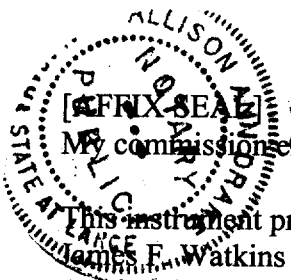
STATE OF ALABAMA

COUNTY OF MOBILE

I, the undersigned Notary Public, in and for said County, in said State, hereby certify that Robert S. Murray, Jr. whose name as Sr Vice President of BankTrustat, as successor to South Alabama 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 said instrument, he, as such officer and with full authority, executed the same for and as the act of said corporation.

Given under my hand and seal this 16th day of October, 2002.

Allison Ann Drake
Notary Public



My commission expires: 1/14/2003

This instrument prepared by :

James F. Watkins
Armbrrecht Jackson
Post Office Box 290
Mobile, Alabama 36601

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

2002 October -16 9:18AM

Instrument Number 688356 Pages 8
Recording 24.00 Mortgage
Bond RP 1.00
Index 3.00
Archive 3.00
Adrian T. Johns, Judge of Probate

FOURTH SUPPLEMENT TO AND AMENDMENT OF
THE
DECLARATIONS OF RIGHTS, COVENANTS
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
THE VILLAS AT STEELWOOD, STEELWOOD, UNIT TWO, PHASE I,
STEELWOOD, UNIT TWO, PHASE II, THE CABINS AT STEELWOOD,
THE SUITES AT STEELWOOD, A CONDOMINIUM, AND UNIT THREE, STEELWOOD,
ALL PORTIONS OF A PLANNED UNIT DEVELOPMENT

This Fourth Supplement to and Amendment (the "Fourth Amendment") of the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to (i) Steelwood, Unit One, (ii) the Villas at Steelwood, (iii) Steelwood, Unit Two, Phase I, (iv) Steelwood, Unit Two, Phase II, (v) the Cabins at Steelwood, (vi) The Suites at Steelwood, a Condominium, and (vii) Unit Three, Steelwood, (hereinafter collectively referred to as the "Development") all portions of a planned unit development, is made and entered into this 16th day of October, 2002 by Steelwood, Ltd., an Alabama limited partnership (the "Developer") and is applicable to the Development.

WITNESSETH:

WHEREAS, heretofore, on or about October 6, 1997, the Developer recorded on Slide 1762A, 1762B through 1763A in the records maintained in the Office of the Judge of Probate of Baldwin County, Alabama, (the "Records") a subdivision plat (the "Plat") pertaining to certain real property owned by the Developer in Baldwin County, Alabama, and known as Steelwood, Unit One, a portion of a planned unit development (the "Original Property" or "Original Development"); and

WHEREAS, heretofore, on or about October 9, 1997, the Developer recorded in Misc. Book 95, Pages 1449 through 1495 in the Records the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to Steelwood, Unit One, a portion of a planned unit development (the "Original Declaration") to be applicable to the Original Property in the manner prescribed therein; and

WHEREAS, the Original Declaration contemplated, in Article II and Article XV thereof, that it may be supplemented and amended so that the Developer may (i) bring within the Original Declaration additional property to be subject to the terms and conditions of the Original Declaration, (ii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to such additional property and (iii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to all property subject thereto (both the Original Property and such additional property); and

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original

Declaration, and by and through the execution and recordation of the First Supplement to and Amendment of the Original Declaration at Miscellaneous Book 101, Pages 1971 through 1984 of the Records (the "First Amendment") and the recordation of a subdivision plat for the Villas at Steelwood, a portion of a planned unit development at Slide 1849A (as subsequently amended at Slide 1880A (Instrument No. 484908)) in the Records (the "Villas at Steelwood Plat"), supplemented and amended the Original Declaration to (i) bring within the Original Declarations the additional property described in the Villas at Steelwood Plat (the "Villas Property") to be subject to the terms and conditions of the Original Declarations, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations which are applicable to the Villas Property and (iii) create additions and modifications of the covenants and restrictions contained in the Original Declaration which are applicable to all property subject thereto (both Original Property and the Villas Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment, and by and through the execution and recordation of the Second Supplement to and Amendment of the Original Declaration at Instrument 501169 of the Records (the "Second Amendment") and the recordation of a subdivision plat for Steelwood, Unit Two, Phase I at Slide 1904B (Instrument No. 500892) in the Records (the "Steelwood Unit Two, Phase I Plat") supplemented and amended the Original Declaration, as supplemented and amended by the First Amendment, to (i) bring within the Original Declarations, as supplemented and amended by the First Amendment, the additional property described in the Steelwood Unit Two, Phase I Plat (the "Steelwood Unit Two, Phase I Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented by the First Amendment, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented by the First Amendment, which are applicable to the Steelwood Unit Two, Phase I Property and (iii) create additions and modifications to the covenants and restrictions contained in the in the Original Declarations, as amended and supplemented by the First Amendment, applicable to all property subject thereto (each of the Original Property, the Villas Property and the Steelwood Unit Two, Phase I Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment and the Second Amendment, and by and through the execution and recordation of the Third Supplement to and Amendment of the Original Declaration at Instrument 663282 of the Records (the "Third Amendment") and the recordation of (i) a subdivision plat for Steelwood Unit Two, Phase II at Slide 2081-B (Instrument No. 662786) in the Records (the "Steelwood Unit Two, Phase II Plat"), (ii) a subdivision plat for The Cabins at Steelwood at Slide 2079-E (Instrument No. 661326) in the Records ("The Cabins at Steelwood Plat") and (iii) the Declaration of Condominium for The Suites at Steelwood, a Condominium, at Instrument No. 663925 (the "Suites Declaration") supplemented and amended the Original Declaration, as supplemented and amended by the First Amendment and the Second Amendment, to (a) bring within the Original Declarations, as supplemented and amended by the First Amendment and the Second Amendment, the additional property described in the Steelwood Unit Two, Phase II Plat (the

"Steelwood Unit Two, Phase II Property"), the additional property described in The Cabins at Steelwood Plat (the "Cabins at Steelwood Property") and the additional property described in the Suites Declaration (the "Suites Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, which are applicable to the Steelwood Unit Two, Phase II Property, the Cabin Property and the Suites Property and (iii) create additions and modifications to the covenants and restrictions contained in the in the Original Declarations, as amended and supplemented by the First Amendment and the Second Amendment, applicable to all property subject thereto (each of the Original Property, the Villas Property and the Steelwood Unit Two, Phase I Property, the Steelwood Unit Two, Phase II Property, the Cabin Property and the Suites Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended by the First Amendment, the Second Amendment and the Third Amendment, and by and through the execution and recordation of this Fourth Amendment and the recordation of a subdivision plat for Unit Three, Steelwood at Slide 2092-A (Instrument No. _____) in the Records (the "Unit Three Plat") desires to further supplement and amend the Original Declarations, as supplemented and amended by the First Amendment, the Second Amendment and the Third Amendment (The Original Declaration, as supplemented and amended by the First, Second and Third Amendments hereinafter referred to as the "Amended Original Declaration"), to bring within the Amended Original Declaration the additional property described in the Unit Three Plat (the "Unit Three Property")

WHEREAS, upon the execution and recordation of this Fourth Amendment, the Amended Original Declaration shall be supplemented and amended as provided herein.

NOW THEREFORE, THE DEVELOPER HEREBY DECLARES that the Original Property, the Villas Property, the Unit Two, Phase I Property, the Unit Two, Phase II Property, The Cabins at Steelwood Property, The Suites Condominium Property and the Unit Three Property are, and shall be, held, owned, transferred, sold, conveyed, given, purchased, leased, mortgaged and used subject to the easements, restrictions, covenants and conditions contained in the Amended Original Declaration, and as further supplemented and amended by this Fourth Amendment (sometimes referred to hereinafter collectively as the "Declarations"), which is for the purpose of protecting the value and desirability of, and which shall touch, concern and run with, the Original Property, the Villas Property, the Unit Two, Phase I Property, the Phase Two, Unit II Property, The Cabins at Steelwood Property, The Suites Condominium Property and the Unit Three Property, and which shall be binding on all parties having right, title or interest in such real property or any part thereof, as a holder of a mortgage, or otherwise, and shall also be binding upon their respective heirs, successors and assigns.

ARTICLE A

PURPOSE AND EFFECT OF FOURTH AMENDMENT

This Fourth Amendment, when executed and recorded in the Records is intended and shall:

- (i) Incorporate herein by reference, as if set forth in full herein, the Amended Original Declaration as the same shall be supplemented and amended herein;
- (ii) Supplement and amend the Amended Original Declaration in the manner provided herein; and
- (iii) Bring within the Amended Original Declaration, as supplemented and amended by this Fourth Amendment, including all restrictions and covenants contained therein and herein, the Unit Three Property.

All capitalized terms which are contained in this Fourth Amendment and which are not specifically defined herein shall have the meanings ascribed to such terms in the Amended Original Declaration. To the extent there shall exist any conflict between the provisions hereof and the provisions of the Amended Original Declaration the provisions hereof shall prevail unless the Developer, in the exercise of its sole discretion, shall elect to have the provisions of the Amended Original Declaration prevail.

Upon the execution and recordation of this Fourth Amendment in the Records and upon the recordation of the Unit Three Plat in the Records, the provisions of the Amended Original Declaration, as supplemented and amended by this Fourth Amendment, shall be applicable to all Lots, including the Original Lots, the Villa Lots, the Unit Two, Phase I Lots, the Unit Two, Phase II Lots, the Cabin Lots, and the Suites Condominium Units and the Unit Three Lots (as are defined herein), unless otherwise expressly provided herein. Pursuant to the terms and conditions hereof, certain provisions of the Amended Original Declaration, as supplemented and amended by the this Fourth Third Amendment, may be applicable only to certain Lots or Units within the Development, all as further described herein.

ARTICLE B

CERTAIN DEFINITIONS

Section B.01 Additional Defined Terms. The following defined term is hereby incorporated into the Declaration:

"UNIT THREE LOT" shall mean and refer to any of the delineated parcels shown on the Unit Three Plat and numbered one (1) through four (4), and to be used for Single-

Family Dwelling units.

In addition to the foregoing, the terms which are defined in the recitals of this Third Amendment shall have the meaning ascribed to such terms therein.

ARTICLE C

The following Article is hereby incorporated into the Declaration as Article XX thereof:

ARTICLE XX

RESTRICTIONS APPLICABLE TO UNIT THREE LOTS

In addition to the general applicability to the Unit Three Lots of all covenants and restrictions contained in the Declaration, as amended, the Unit Three Lots shall also be subject to the additional restrictions and requirements contained in this Article XVII. To the extent that the provisions of this Article XVII conflict with any restriction applicable to the Unit Three Lots contained in the Original Declaration, the provisions of this Article XX shall prevail as to the Unit Three Lots, unless the Developer shall determine otherwise in the exercise of its sole discretion. Except with respect to the square footage regulations, in the event that the restrictions contained in the Original Declaration are similar to any of the restrictions contained in this Article XX, the more restrictive set of restrictions shall apply, unless the Developer shall determine otherwise in the exercise of its sole discretion.

Section 20.01 Fencing, Walls, Hedges and Ornamental Structures. There shall be no fencing, wall, hedge or ornamental structures located, constructed or erected on any Unit Three Lot.

Section 20.02 Building Size. A Single-Family Dwelling structure located upon or to be built upon a Unit Three Lot shall have a maximum of seven thousand (7,000) square feet of Enclosed Livable Area (excluding verandas and porches) and a minimum of four thousand (4,000) square feet of Enclosed Livable Area (excluding verandas and porches).

Section 20.03 Preservation of Trees Topography and Vegetation. No tree having a diameter of six (6) inches or more (measured from a point two feet above ground level) shall be removed from any Unit Three Lot without the express written authorization of the Architectural Review Board. In order to protect the natural beauty of the vegetation and topography of the Unit Three Lots, written approval of the Architectural Committee is hereby required for the removal, reduction, cutting down, excavation, filling or alteration of any topographic and vegetation characteristics of a Unit Three Lot or to

change any landscaping feature on any Unit Three Lot. In carrying out the provisions of this Section, the Developer, the Association and the Architectural Review Board and the respective agents of each may come upon any Unit Three Lot during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any rules and regulations adopted and promulgated pursuant to the provisions hereof. Neither the Association, nor the Architectural Review Board, nor the Developer, nor their respective agents shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection.

Section 20.04 Set-Back and Build-To Lines. In order to further the goal of establishing consistency in the alignment of the fronts and backs of Single-Family Dwellings located, or to be located, upon the Unit Three Lots to the streets, Common Areas or the Golf Course, as applicable, the Developer may impose set-back or build-to lines applicable to the Unit Three Lots, which set-back or build-to lines may vary in the discretion of the Developer and which may be in addition to the applicable set-back lines set forth on the Unit Three Plat.

Section 20.05 Repair or Replacement of Damaged or Destroyed Structure. Each Owner, by accepting a deed for a Unit Three Lot covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of a dwelling located upon a unit Three Lot, the owner of such Unit Three Lot shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original plans and specifications for the structure located upon such Unit Three Lot. In the event that a structure located upon a Unit Three Lot is totally destroyed the Owner shall as quickly as possible clear the Unit Three Lot of any debris. Any replacement dwelling or structure to be built a Unit Three Lot shall be subject to the architectural requirements set forth in the Declarations and shall be of a similar style and character as the structures located on the surrounding Unit Three Lots.

Section 20.06 Additional Rules and Regulations. The Developer, as it determines is in the best interest of facilitating a harmonious development of the Unit Three Lots in accordance with this Declaration, may adopt additional rules and regulations from time to time, which rules and regulations shall be applicable to all Unit Three Lots and the owners thereof at the time of their adoption, without the necessity of incorporating such rules and regulations within this Declaration by their recordation in the Records.

IN WITNESS WHEREOF, the undersigned Developer has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

STEELWOOD, LTD., an Alabama limited partnership

By: R. M. Investments, Inc.
Its General Partner

By: [Signature]
Its: PRESIDENT

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned Notary Public, in and for said County, in said State, hereby certify that J. Richard Miller, III, whose name as President of R. M. Investments, Inc., an Alabama corporation, as general partner of Steelwood, Ltd., an Alabama limited partnership, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation acting in its capacity as general partner.

Given under my hand and seal this 16th day of October, 2002.

[Signature]
Notary Public

[AFFIX SEAL]

My commission expires: 8/05/06

JOINDER BY MORTGAGEE

BankTrust, as successor to South Alabama Bank, owner of one or more mortgages encumbering the herein described real property does hereby join in this Fourth Supplement to and Amendment of the to the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to the Development. To the extent necessary, BankTrust consents to the filing of the Unit Three Plat.

DONE this 16th day of October, 2002.

BANKTRUST, as successor to South Alabama Bank

By: [Signature]

As its: Sr Vice Pres.

STATE OF ALABAMA

COUNTY OF MOBILE

Robert S. Murray Jr I, the undersigned Notary Public, in and for said County, in said State, hereby certify that whose name as Sr Vice President of Bank Trustat, as successor to South Alabama 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 said instrument, he, as such officer and with full authority, executed the same for and as the act of said corporation.

Given under my hand and seal this 16th day of October, 2002.

Allison Ann Drake
Notary Public

[AFFIX SEAL]

My commission expires: 1/14/2003

This instrument prepared by :

James F. Watkins

Armbrecht Jackson

Post Office Box 290

Mobile, Alabama 36601

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

2002 October -18 9:18AM

Instrument Number 688556 Pages 8
Recording 24.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate

SIXTH SUPPLEMENT TO AND AMENDMENT OF
THE
DECLARATIONS OF RIGHTS, COVENANTS
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
THE VILLAS AT STEELWOOD, STEELWOOD, UNIT TWO, PHASE I,
STEELWOOD, UNIT TWO, PHASE II, THE CABINS AT STEELWOOD,
THE SUITES AT STEELWOOD, A CONDOMINIUM, UNIT THREE, STEELWOOD,
THE CABINS AT STEELWOOD, PHASE II, AND UNIT FOUR, STEELWOOD
ALL PORTIONS OF A PLANNED UNIT DEVELOPMENT

771859

Dated November 12, 2003

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

2003 November -12 1: 7PM

Instrument Number 771859 Pages 10
Recording 30.00 Mortgage
Deed Min Tax
Index DP 5.00
Archive 5.00
Adrian T. Johns, Judge of Probate

SIXTH SUPPLEMENT TO AND AMENDMENT OF
THE
DECLARATIONS OF RIGHTS, COVENANTS
RESTRICTIONS, AFFIRMATIVE OBLIGATIONS
AND CONDITIONS APPLICABLE TO
STEELWOOD, UNIT ONE,
THE VILLAS AT STEELWOOD, STEELWOOD, UNIT TWO, PHASE I,
STEELWOOD, UNIT TWO, PHASE II, THE CABINS AT STEELWOOD,
THE SUITES AT STEELWOOD, A CONDOMINIUM, UNIT THREE, STEELWOOD,
THE CABINS AT STEELWOOD, PHASE II AND UNIT FOUR, STEELWOOD,
ALL PORTIONS OF A PLANNED UNIT DEVELOPMENT

This Sixth Supplement to and Amendment (the "Sixth Amendment") of the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to (i) Steelwood, Unit One, (ii) the Villas at Steelwood, (iii) Steelwood, Unit Two, Phase I, (iv) Steelwood, Unit Two, Phase II, (v) the Cabins at Steelwood, (vi) The Suites at Steelwood, a Condominium, (vii) Unit Three, Steelwood, (viii) The Cabins at Steelwood, Phase II and (ix) Unit Four, Steelwood (hereinafter collectively referred to as the "Development") all portions of a planned unit development, is made and entered into this 12th day of November, 2003 by Steelwood, Ltd., an Alabama limited partnership (the "Developer") and is applicable to the Development.

WITNESSETH:

WHEREAS, heretofore, on or about October 6, 1997, the Developer recorded on Slide 1762A, 1762B through 1763A in the records maintained in the Office of the Judge of Probate of Baldwin County, Alabama, (the "Records") a subdivision plat (the "Plat") pertaining to certain real property owned by the Developer in Baldwin County, Alabama, and known as Steelwood, Unit One, a portion of a planned unit development (the "Original Property" or "Original Development"); and

WHEREAS, heretofore, on or about October 9, 1997, the Developer recorded in Misc. Book 95, Pages 1449 through 1495 in the Records the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to Steelwood, Unit One, a portion of a planned unit development (the "Original Declaration") to be applicable to the Original Property in the manner prescribed therein; and

WHEREAS, the Original Declaration contemplated, in Article II and Article XV thereof, that it may be supplemented and amended so that the Developer may (i) bring within the Original Declaration additional property to be subject to the terms and conditions of the Original Declaration, (ii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to such additional property and (iii) create additions and/or modifications to the covenants and restrictions contained in the Original Declaration which shall be applicable to all property subject thereto; and

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, and by and through the execution and recordation of the First Supplement to and Amendment of the Original Declaration at Miscellaneous Book 101, Pages 1971 through 1984 of the Records (the "First Amendment") and the recordation of a subdivision plat for the Villas at Steelwood, a portion of a planned unit development at Slide 1849A (as subsequently amended at Slide 1880A (Instrument No. 484908)) in the Records (the "Villas at Steelwood Plat"), supplemented and amended the Original Declaration to (i) bring within the Original Declarations the additional property described in the Villas at Steelwood Plat (the "Villas Property") to be subject to the terms and conditions of the Original Declarations, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations which are applicable to the Villas Property and (iii) create additions and modifications of the covenants and restrictions contained in the Original Declaration which are applicable to all property subject thereto;

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended, and by and through the execution and recordation of the Second Supplement to and Amendment of the Original Declaration at Instrument 501169 of the Records (the "Second Amendment") and the recordation of a subdivision plat for Steelwood, Unit Two, Phase I at Slide 1904B (Instrument No. 500892) in the Records (the "Steelwood Unit Two, Phase I Plat") supplemented and amended the Original Declaration, as supplemented and amended by the First Amendment, to (i) bring within the Original Declarations, as supplemented and amended by the First Amendment, the additional property described in the Steelwood Unit Two, Phase I Plat (the "Steelwood Unit Two, Phase I Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented, which are applicable to the Steelwood Unit Two, Phase I Property and (iii) create additions and modifications to the covenants and restrictions contained in the Original Declarations, as amended and supplemented, applicable to all property subject thereto;

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended, and by and through the execution and recordation of the Third Supplement to and Amendment of the Original Declaration at Instrument 663282 of the Records (the "Third Amendment") and the recordation of (i) a subdivision plat for Steelwood Unit Two, Phase II at Slide 2081-B (Instrument No. 662786) in the Records (the "Steelwood Unit Two, Phase II Plat"), (ii) a subdivision plat for The Cabins at Steelwood at Slide 2079-E (Instrument No. 661326) in the Records ("The Cabins at Steelwood Plat") and (iii) the Declaration of Condominium for The Suites at Steelwood, a Condominium, at Instrument No. 663925 (the "Suites Declaration") supplemented and amended the Original Declaration, as supplemented and amended, to (a) bring within the Original Declarations, as supplemented and amended, the additional property described in the Steelwood Unit Two, Phase II Plat (the "Steelwood Unit Two, Phase II Property"), the additional property described in The Cabins at Steelwood Plat (the "Cabins at Steelwood Property") and the additional property described in the Suites Declaration (the "Suites Property") to be subject to the terms and conditions of the

Original Declarations, as amended and supplemented, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented, which are applicable to the Steelwood Unit Two, Phase II Property, the Cabin Property and the Suites Property and (iii) create additions and modifications to the covenants and restrictions contained in the in the Original Declarations, as amended and supplemented, applicable to all property subject thereto;

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended, and by and through the execution and recordation of the Fourth Supplement to and Amendment of the Original Declaration at Instrument 688556 of the Records (the "Fourth Amendment") and the recordation of a subdivision plat for Unit Three, Steelwood at Slide 2092-A (Instrument No. 683168) in the Records (the "Steelwood Unit Three Plat") supplemented and amended the Original Declaration, as supplemented and amended to (i) bring within the Original Declarations, as supplemented and amended, the additional property described in the Steelwood Unit Three Plat (the "Unit Three Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented, which are applicable to the Unit Three Property and (iii) create additions and modifications to the covenants and restrictions contained in the Original Declarations, as amended and supplemented, applicable to all property subject thereto (each of the Original Property, the Villas Property and the Steelwood Unit Two, Phase I Property, the Steelwood Unit Two, Phase II Property, the Cabin Property, the Suites Property and the Unit Three Property);

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended, and by and through the execution and recordation of the Fifth Supplement to and Amendment of the Original Declaration at Instrument 720478 of the Records (the "Fifth Amendment") and the recordation of a subdivision plat for The Cabins at Steelwood, Phase II at Slide 2109-F (Instrument No. 720151) in the Records (the "The Cabins at Steelwood, Phase II Plat") supplemented and amended the Original Declaration, as supplemented and amended, to (i) bring within the Original Declarations, as supplemented and amended, the additional property described in The Cabin at Steelwood, Phase II plat (the "Cabins, Phase II Property") to be subject to the terms and conditions of the Original Declarations, as amended and supplemented, (ii) create additions and modifications of the covenants and restrictions contained in the Original Declarations, as amended and supplemented, which are applicable to the Cabins, Phase II Property and (iii) create additions and modifications to the covenants and restrictions contained in the Original Declarations, as amended and supplemented, applicable to all property subject thereto;

WHEREAS, the Developer, pursuant to Article II and Article XV of the Original Declaration, as supplemented and amended, and by and through the execution and recordation of this Sixth Amendment and the recordation of a subdivision plat for Unit Four, Steelwood at Slide 2132C (Instrument No. 770244) in the Records (the "Unit Four Plat") desires to further

supplement and amend the Original Declarations, as supplemented and amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment (the Original Declaration, as supplemented and amended by the First, Second, Third, Fourth and Fifth Amendments hereinafter referred to as the "Amended Original Declaration"), to bring within the Amended Original Declaration the additional property described on the Unit Four Plat (the "Unit Four Property");

WHEREAS, upon the execution and recordation of this Sixth Amendment, the Amended Original Declaration shall be supplemented and amended as provided herein.

NOW THEREFORE, THE DEVELOPER HEREBY DECLARES that the Original Property, the Villas Property, the Unit Two, Phase I Property, the Unit Two, Phase II Property, The Cabins at Steelwood Property, The Suites Condominium Property, the Unit Three Property, the Cabins Phase II Property and the Unit Four Property are, and shall be, held, owned, transferred, sold, conveyed, given, purchased, leased, mortgaged and used subject to the easements, restrictions, covenants and conditions contained in the Amended Original Declaration, and as further supplemented and amended by this Sixth Amendment (sometimes referred to hereinafter collectively as the "Declarations"), which is for the purpose of protecting the value and desirability of, and which shall touch, concern and run with, the Original Property, the Villas Property, the Unit Two, Phase I Property, the Phase Two, Unit II Property, The Cabins at Steelwood Property, The Suites Condominium Property, the Unit Three Property, the Cabins Phase II Property and the Unit Four Property, and which shall be binding on all parties having right, title or interest in such real property or any part thereof, as a holder of a mortgage, or otherwise, and shall also be binding upon their respective heirs, successors and assigns.

ARTICLE A

PURPOSE AND EFFECT OF SIXTH AMENDMENT

This Sixth Amendment, when executed and recorded in the Records is intended and shall:

- (i) Incorporate herein by reference, as if set forth in full herein, the Amended Original Declaration as the same shall be supplemented and amended herein;
- (ii) Supplement and amend the Amended Original Declaration in the manner provided herein; and
- (iii) Bring within the Amended Original Declaration, as supplemented and amended by this Sixth Amendment, including all restrictions and covenants contained therein and herein, the Unit Four Property.

All capitalized terms which are contained in this Sixth Amendment and which are not specifically defined herein shall have the meanings ascribed to such terms in the Amended

Original Declaration. To the extent there shall exist any conflict between the provisions hereof and the provisions of the Amended Original Declaration the provisions hereof shall prevail unless the Developer, in the exercise of its sole discretion, shall elect to have the provisions of the Amended Original Declaration prevail.

Upon the execution and recordation of this Sixth Amendment in the Records and upon the recordation of the Unit Four Plat in the Records, the provisions of the Amended Original Declaration, as supplemented and amended by this Sixth Amendment, shall be applicable to all Lots, including the Original Lots, the Villa Lots, the Unit Two, Phase I Lots, the Unit Two, Phase II Lots, the Cabin Lots, the Suites Condominium Units, the Unit Three Lots, the Cabins at Steelwood, Phase II Lots, and the Unit Four Lots (as are defined herein), unless otherwise expressly provided herein. Pursuant to the terms and conditions hereof, certain provisions of the Amended Original Declaration, as supplemented and amended by this Sixth Amendment, may be applicable only to certain Lots or Units within the Development, all as further described herein.

ARTICLE B

CERTAIN DEFINITIONS

Section B.01 Additional Defined Terms. The following defined term is hereby incorporated into the Declaration:

“**UNIT FOUR LOT**” shall mean and refer to any of the delineated parcels shown on the Unit Four Plat and numbered five (5) through ten (10), and to be used for residential structures.

In addition to the foregoing, the terms which are defined in the recitals of this Fifth Amendment shall have the meaning ascribed to such terms therein.

ARTICLE C

The following Article is hereby incorporated into the Declaration as Article XXII thereof:

ARTICLE XXII

RESTRICTIONS APPLICABLE TO UNIT FOUR LOTS

In addition to the general applicability to the Unit Four Lots of all covenants and restrictions contained in the Amended Original Declaration, the Unit Four Lots shall also be subject to the additional restrictions and requirements contained in this Article XXII. To the extent that the provisions of this Article XXII conflict with any restriction

applicable to the Unit Four Lots contained in the Amended Original Declaration, the provisions of this Article XXII shall prevail as to the Unit Four Lots, unless the Developer shall determine otherwise in the exercise of its sole discretion. Except with respect to the square footage regulations, in the event that the restrictions contained in the Amended Original Declaration are similar to any of the restrictions contained in this Article XXII, the more restrictive set of restrictions shall apply, unless the Developer shall determine otherwise in the exercise of its sole discretion. It is specifically intended that the Unit Four Lots shall be subject to all architectural standards and to the jurisdiction and authority of the Architectural Review Board set forth in the Original Declaration.

Section 22.01 Fencing, Walls, Hedges and Ornamental Structures. There shall be no fencing, wall, hedge or ornamental structures located, constructed or erected on any Unit Four Lot without the prior written approval of the Developer and/or the Architectural Review Board.

Section 22.02 Number of Structures/Building Size/Siting. There shall be no more than one structure built on any Unit Four Lot. Any structure built on a Unit Four Lot shall be for residential use only and shall have a maximum of seven thousand (7,000) square feet of Enclosed Livable Area (excluding verandas and porches) and a minimum of four thousand (4,000) square feet of Enclosed Livable Area (excluding verandas and porches). Any structure built on a Unit Four Lot shall be limited to not more than three livable stories. A structure built upon a Unit Four Lot may be a detached, single-family dwelling, a duplex, a triplex or, if developed as a condominium, may contain up to four residential Units. In the event that a building is constructed on two or more Unit Four Lots, subject to Architectural Review Board Approval, the number of units and the minimum and maximum square footage requirements may be cumulative based upon the number of Unit Four Lots upon which the structure will actually be built upon. Prior to commencing construction of a structure on a Unit Four Lot the owner or builder shall obtain the written approval of the Architectural Review Committee of a site plan showing the location of the structure on the lot. Once the site plan has been approved, the builder shall locate and construct the structure on the lot according to the site plan approved by the Architectural Review Committee.

Section 22.03 Preservation of Trees, Topography and Vegetation. No tree having a diameter of six (6) inches or more (measured from a point two feet above ground level) shall be removed from any Unit Four Lot without the express written authorization of the Architectural Review Board. In order to protect the natural beauty of the vegetation and topography of the Unit Four Lots, written approval of the Architectural Committee is required for the removal, reduction, cutting down, excavation, filling or alteration of any topographic and vegetation characteristics of a Unit Four Lot or to change any landscaping feature on any Unit Four Lot. In carrying out the provisions of this Section, the Developer, the Association and the Architectural Review Board and the

respective agents of each may come upon any Unit Four Lot during reasonable hours for the purpose of inspecting or marking trees or in relation to the enforcement and administration of any rules and regulations adopted and promulgated pursuant to the provisions hereof. Neither the Association, nor the Architectural Review Board, nor the Developer, nor their respective agents shall be deemed to have committed a trespass or wrongful act by reason of any such entry or inspection. Any change to the topography of a Unit Four Lot must have the prior written approval of the Architectural Review Board and shall not in any way change or increase the flow of water from such Unit Four Lot to other Lots within the Development or the Golf Course.

Section 22.04 Set-Back and Build-To Lines. In order to further the goal of establishing consistency in the alignment of the fronts and backs of structures located, or to be located, upon the Unit Four Lots to the streets, Common Areas or the Golf Course, as applicable, the Developer and/or the Architectural Review Board may impose set-back or build-to lines applicable to the Unit Four Lots, which set-back or build-to lines may vary in the discretion of the Developer and which may be in addition to the applicable set-back lines set forth on the Unit Four Plat. To the extent possible, each Unit Four Lot shall have the build-to line staked prior to the conveyance of a Unit Four Lot by the Developer.

Section 22.05 Additional Rules and Regulations. The Developer, as it determines is in the best interest of facilitating a harmonious development of the Unit Four Lots in accordance with this Declaration, may adopt additional rules and regulations from time to time, which rules and regulations shall be applicable to all Unit Four Lots and the owners thereof at the time of their adoption, without the necessity of incorporating such rules and regulations within this Declaration by their recordation in the Records.

IN WITNESS WHEREOF, the undersigned Developer has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

STEELWOOD, LTD., an Alabama limited partnership

By: R. M. Investments, Inc.
Its General Partner

By: 
Its: PRESIDENT

STATE OF ALABAMA

COUNTY OF BALDWIN

I, the undersigned Notary Public, in and for said County, in said State, hereby certify that J. Richard Miller, III, whose name as President of R. M. Investments, Inc., an Alabama corporation, as general partner of Steelwood, Ltd., an Alabama limited partnership, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of said corporation acting in its capacity as general partner.

Given under my hand and seal this 12th day of November, 2003.

Scott M. Sate

Notary Public

[AFFIX SEAL]

My commission expires: **8-05-06**

JOINDER BY MORTGAGEE

BankTrust, as successor to South Alabama Bank, owner of one or more mortgages encumbering the herein described real property does hereby join in this Sixth Supplement to and Amendment of the to the Declaration of Rights, Covenants, Restrictions, Affirmative Obligations and Conditions Applicable to the Development. To the extent necessary, BankTrust consents to the filing of the Unit Four Plat.

DONE this 12th day of November, 2003.

BANKTRUST, as successor to South Alabama Bank

By: *Robert S. Murray*

As its: *SVP*

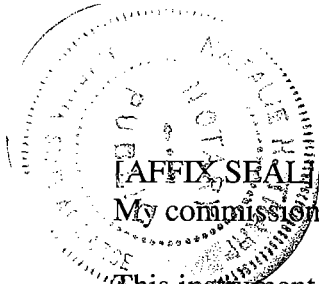
STATE OF ALABAMA

COUNTY OF MOBILE

I, the undersigned Notary Public, in and for said County, in said State, hereby certify that Robert S. Murray, Jr. whose name as Senior Vice President of BankTrust, as successor to South Alabama 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 said instrument, he,

as such officer and with full authority, executed the same for and as the act of said corporation.

Given under my hand and seal this 12th day of November, 2003.



Natalie D. Hays

My Commission Expires **09-04-07**
Notary Public

This instrument prepared by :
James F. Watkins
Armbrecht Jackson
Post Office Box 290
Mobile, Alabama 36601