

STATE OF ALABAMA }
COUNTY OF BALDWIN }

**DECLARATION OF RIGHTS, EASEMENTS, COVENANTS,
CONDITIONS, AFFIRMATIVE OBLIGATIONS AND RESTRICTIONS
APPLICABLE TO SUMMER WOOD, A SUBDIVISION**

HARLESS DEVELOPMENT COMPANY, INC., an Alabama corporation, hereinafter referred to as "Developer," is the owner of all of the real property situated in that certain subdivision known as **SUMMER WOOD**, a subdivision, hereinafter referred to as the "Subdivision," and said Subdivision consists of a total of 49 lots according to the plat and survey thereof prepared and drawn by John Peterson & Associates, and recorded on Slide Number 2043C+D in the Office of the Judge of Probate of Baldwin County, Alabama, said plat being incorporated by reference herein and made a part hereof as if set forth in full, hereinafter referred to as the "Plat."

THE DEVELOPER hereby covenants and agrees with each and every future owner of any lot or other part of the Subdivision that each and every future owner, by virtue of becoming an owner, shall, (i) accept and agree with Developer and with each and every other owner or future owner of any such property, that the following covenants, restrictions, conditions, affirmative obligations, easements and limitations shall apply to all property in the Subdivision; (ii) the following said covenants shall constitute covenants running with the land; and (iii) the following said covenants shall be binding upon the Developer and on all future owners of each and every lot, part or parcel of the Subdivision, and upon their respective heirs, successors, personal representatives, and assigns.

WHEREFORE, the Developer does hereby make, publish and declare as follows, to-wit:

**SECTION ONE
PROPERTY OWNER'S ASSOCIATION**

1. The Developer shall establish for the benefit of lot owners in the Subdivision an association to manage the Subdivision. The name of the association shall be Summer Wood Owner's Association, Inc., hereinafter referred to as the "Association," and said Association shall be governed by and through a Board Of Directors, hereinafter referred to as the "Board," pursuant to the Articles of Incorporation of the Association, hereinafter referred to as "Articles," and the By-Laws of the Association, and said Board shall consist of at least three (3) members, but not more than Five (5). The Board shall be responsible for the enforcement of all applicable covenants, conditions, obligations and restrictions set forth herein.

2. The Association shall be comprised of and membership limited exclusively to lot owners, and each and every lot owner shall be a member by virtue of being a lot owner. Any person or entity accepting a deed from the Developer or any lot owner shall automatically become a member of the said Association and such owner agrees to abide by the Association's By-Laws and any and all rules, regulations, and conditions which have been or will be established by the Association.

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3. After the sale or other transfer of Fifty percent (50 %) of the said lots located in the Subdivision to owners other than the Developer, the Developer shall transfer to the Association all rights and powers outlined in the Articles and the By-Laws. The Developer shall have the right at any time prior to the sale or other transfer of Fifty percent of the lots, to transfer any and all said rights or powers to the Association which the Developer should so elect.

SECTION TWO

LAND USE AND BUILDING TYPE

1. All lots located in the Subdivision shall be used for residential purposes only, and no building or structure other than a single-family dwelling house shall be erected on any lot or other part of the Subdivision except as otherwise permitted herein.

2. The foregoing or anything else contained herein to the contrary, the Developer shall have the right to maintain a sales office and signs on any lot owned by the Developer or other part of the Subdivision as long as the Developer owns any lots located therein.

3. The Developer shall establish an Architectural Control Committee, hereinafter referred to as the "ACC," as set forth in Article Four herein below, and said committee shall have the expressed authority to enforce any covenant, condition, obligation or restriction contained herein.

4. No lot clearing, grading or preparation, and no building, fence, storage, pool, out building, structure or other improvement shall be constructed, erected or placed on any lot or other part of the Subdivision, without first having obtained the prior written approval of the ACC.

5. All building sites shall be approved by the ACC prior to commencing construction, and no building or other improvement of any kind, character or nature shall be located on any lot other than as approved by the ACC and the municipal or other applicable building inspector.

6. The size of any residential structure erected or placed on any lot in the Subdivision shall be at least a total of 1,800 square feet of minimum heated and cooled living space and shall not exceed more than two stories in height. Living space, as defined herein, means heated and cooled finished area, and shall not include porches, decks, patios, carports, or attics. The minimum square footage for the ground floor shall be at least 1,400 square feet including enclosed garage area.

7. The primary roof line of all houses in the Subdivision shall have a pitch of at least 7/12 or greater, and the color, style, and type of roof covering shall first be approved by the ACC.

8. The exterior finish of all houses and other buildings and structures situated on any Lot in the Subdivision shall be stucco or the like, brick, or hardi-plank. Vinyl siding material may be used provided the coverage does not exceed Twenty-Five percent (25 %) of the structure's exterior.

9. No mobile home, house trailer, tent, shack, barn, out building or other similar structure shall be erected, placed, parked, stored on or moved onto any lot within the Subdivision as a permanent or temporary structure.

10. No camper or other recreational vehicle shall be parked on any lot in the Subdivision for more than seven (7) consecutive days. The intent of the Developer and this paragraph is to prevent the permanent parking of such items.

11. The construction of any fencing in the Subdivision shall be subject to ACC approval. All fences shall be wooden and constructed of pressure treated lumber or cedar and shall be in a shadow box style. All fences shall be of a natural color, but may be waterproofed or clear coated. All fences shall be six (6) feet in height, and no barbed wire, chain link or other similar fences will be permitted.

12. No house, fence, hedge, or free standing wall shall extend beyond the minimum building set-back lines as shown and noted on the said plat of the Subdivision unless approved by the ACC.

13. No facilities, including, but not limited to poles or wires for the transmission of electricity, television, telephone messages and the like, shall be placed or maintained on any lot in the Subdivision, and no external or outside antennas, including satellite dishes greater than 18 inches in diameter, shall be permitted. Satellite dishes 18 inches or less in diameter are permitted. All cable, city water, electric, telephone, gas, and other utilities shall and must be placed underground.

14. All utility service lines, including, but limited to electric, telephone, gas, water, sewer, and cable television, shall be connected at points designated by the Developer until the Developer is no longer on the ACC. Thereafter, such designation will be determined by the ACC. All utilities from the right-of-way to any residence, structure or other improvement shall be placed underground.

15. Lot owners may have a private shallow-water well for sprinkler systems and other non-household purposes, but said well cannot be connected to any pipes located within a dwelling.

16. All mailboxes in the Subdivision shall be of a color, material, style, and location approved by and in accordance with the specifications and as approved by the ACC. All mailboxes shall contain a paper tube or other receptacle for newspapers.

17. All exterior lighting of houses shall conform to the general character of the Subdivision, and must be approved by the ACC. All yard lighting shall be directed downward and away from neighbors yards, and shall be positioned in such manner as to not disturb an adjoining lot owner. Any lighting determined by the ACC to not conform to the general character of the Subdivision or to be a nuisance shall be removed within five (5) days after receipt of notice of same by the ACC.

18. No lot may be subdivided or reduced in size by voluntary alienation, partition or other judicial proceedings. Notwithstanding anything contained herein to the contrary, the provisions of this paragraph shall not prohibit the combining of two (2) or more contiguous lots to make one larger lot. Three lots may be divided into two lots with the approval of the ACC and the Gulf Shores Planning Commission or other governmental authority having jurisdiction thereof, provided, however, none of the area of the new lots is less than the size of any original lot.

19. Carports, storage, and other detached buildings are permitted; however, the location, construction, style, exterior finish, and color shall first be approved by the ACC.

20. No time share or other similar form of ownership shall be permitted, and no lot shall be sold or occupied as a Vacation Time-Sharing Plan, as defined in Code of Alabama, 1975, as amended.

21. The areas labeled as "Common Area" as shown and noted on the said plat of Summer Wood, a Subdivision, is and shall be for the exclusive use and enjoyment of the lot owners and their guests and an said areas are not intended for the use and enjoyment of the general public. The lot owners, by and through the Association, shall have the sole responsibility for the upkeep and maintenance of all said common areas in the Subdivision and all decorative fences, landscaping and other improvements situated in said common areas, together with all costs and expenses associated therewith, including, but not limited to taxes, assessments, maintenance and other such expenses. The Developer shall have no responsibility for such maintenance or any expenses associated therewith.

22. The areas located within the said common areas designated as "Retention Ponds" on the said plat of the Subdivision are designed and intended to be used for the purpose of drainage and shall be maintained by the lot owners by and through the Association. The Developer shall have no responsibility for the maintenance of said retention ponds or any expenses associated therewith.

23. All roadways shown and noted on the said plat of the Subdivision are public roadways intended for the use of the lot owners and the general public.

24. No septic tank systems shall be allowed on any lot in the Subdivision.

SECTION THREE **USE RESTRICTIONS**

1. All signs in the Subdivision shall be subject to ACC approval. No sign of any kind which exceeds five (5) square feet in size shall be placed on any lot and displayed to the public, including, but not limited to, signs to advertise a home for sale or builder's signs during construction. Notwithstanding the foregoing, the Developer, or Developer's duly authorized agents or assigns, shall have the exclusive right to erect, display and maintain any signs or structures of any size, type, color, or character, on any lot owned by the Developer or on any part of the common areas to promote and aid the Developer in the marketing of the Subdivision and the sale of lots therein.

2. No animals, birds, livestock, swine (farm or domestic), or reptiles of any kind, character or description shall be kept or maintained on any lot in the Subdivision except common household pets such as dogs, cats, and domesticated caged birds, and no animal of any type or description shall be kept or held on any lot in the Subdivision for commercial purposes.

3. All permitted animals shall be kept in an enclosed area and under the supervision of its owner. Any household pet determined by the ACC to be a nuisance shall not be allowed to remain on the lot and the owner of such pet will be required to remove such pet in accordance with procedures established by the ACC.

4. No outside burning of trash, refuse or other materials, shall be permitted on any Lot or other property in the Subdivision without the prior written approval of the ACC.

5. No refuse or trash shall be kept, stored or allowed to accumulate on any lot except between scheduled pickups and in accordance with the provisions hereof. Any trash or other refuse to be disposed of by being picked up and carried away on a regular and recurring basis shall be placed in sanitary containers, and said sanitary containers shall be placed in the open only on the day a pickup is to be made and at such place on the lot as to provide sufficient access to the person or entity making such pickup. At all other times such containers shall be stored in such a manner so they cannot be seen from adjacent lots. The ACC may also require a dumpster during construction.

6. No lumber, metals or bulk materials shall be kept, stored or allowed to accumulate on any lot within the Subdivision, except building materials used during the course of construction of any approved structure or improvement on the lot.

7. No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained above the surface of the ground of any lot in the Subdivision except for temporary water hoses used for irrigation purposes.

8. No lot in the Subdivision shall be used for the purpose of boring, mining, quarrying, exploring for, or removing, any mineral of any kind, character or nature, including, but not limited to oil, gas, sand or gravel.

9. No obnoxious, offensive, or illegal activity shall be conducted on any lot or common area in the Subdivision, and no activity shall be permitted on any lot or common area in the Subdivision which may become a nuisance to the other lot owners.

10. Each Lot owner shall have the responsibility to prevent the development of any unclean, unsightly or unkept conditions or structures on the owner's lot which causes a health or safety problem, or which may tend to decrease the beauty of the lot or a specific area or of the Subdivision as a whole. In the event the ACC determines a lot owner is not properly maintaining such owner's lot or is otherwise in violation of the foregoing, the ACC shall be allowed to enter upon the lot and correct any and all violations, and such entering shall not constitute a trespass.

11. No boat, jet ski, camper, motorcycle, RV, or trailer of any kind, character or nature shall be stored on or placed on or at any lot, unless same shall be housed in an enclosed garage and not visible from the road or by any lot owner. A contractor may be permitted to place a temporary tool trailer during the construction of a residential structure on a Lot, subject to the approval of the ACC.

12. The ACC and the Association and any lot owner shall have the absolute right to enforce or prevent the violation of any covenant, condition, obligation or restriction contained herein by any judicial or other legal remedy or action at law or in equity or otherwise, and the lot owner against whom such enforcement is sought shall be liable to such lot owner and/or the ACC and/or the Association for all costs incurred to cure such violation or such other enforcement, including, but not limited to, reasonable attorneys fees.

13. The provisions of this Article, where applicable, shall also apply to all common areas of the Subdivision and shall be cumulative with any amendments hereto.

ARTICLE FOUR
ARCHITECTURAL CONTROL

1. The Developer shall establish the ACC, and the committee shall consist of not less than three (3) and not more than five (5) members. The initial ACC shall consist of the Developer and up to four (4) other members appointed by the Developer.

2. The Developer shall have the right to remain a member of the ACC for as long as the Developer owns any lot in the Subdivision; however, the Developer shall relinquish control of the ACC after the Developer has sold and conveyed fifty (50) percent of the lots located in the Subdivision. Thereafter, the ACC shall be controlled by a majority of the lot owners.

3. The purpose of the ACC shall be to manage, maintain and enforce the continued harmonious design of all houses, structures and other improvements located in the Subdivision. The scope of review by the ACC shall be limited exclusively to appearance only. The ACC does not and shall not assume or accept any responsibility or authority to review for structural soundness, compliance with building or zoning codes of standards or any other factors.

4. The ACC shall have the expressed authority to enforce any covenant, condition, obligation or restriction contained herein by any and all applicable legal means, including, but not limited to, the filing of liens and the foreclosure thereof as in the case of past due mortgages. Any lot owner against whom such enforcement is sought shall be liable to the ACC and the Association for all costs incurred by the ACC and/or the Association for such enforcement, including reasonable attorneys fees.

5. No construction of any kind shall be commenced and no permit, authorization or approval required hereunder shall be issued for such construction on any lot in the Subdivision without first obtaining the approval and affirmative vote of a majority of the members of the ACC. This shall also include the construction, remodel, or repair of any existing house, building, storage or other outbuilding, fence, or other structure, or any other construction which materially alters or otherwise changes the exterior appearance thereof.

6. The Developer shall inform the initial purchaser of a lot at the time of closing where the said purchaser's plans and specifications are to be submitted for approval; however, nothing contained herein to the contrary notwithstanding, the initial purchaser and all subsequent purchasers of a lot shall be solely responsible for submitting their plans and specifications to the ACC.

7. Such plans and specifications shall include, but not necessarily be limited to, a site plan of the lot showing the location, height, exterior design, and color of all buildings and other improvements proposed to be constructed or altered on the lot.

8. All such plans shall be submitted to the ACC at least fifteen (15) days prior to the date of the proposed construction or alteration of any improvements on the lot. All lot owners, by acceptance of their deed, acknowledge and agree the ACC shall have the authority to pursue any legal action necessary to enforce compliance herewith and prevent any violation hereof, including, but not limited to, an injunction or other appropriate remedy.

9. Within thirty (30) days from the date the ACC has received the plans and specifications and other related documentation required or requested, the ACC shall notify the lot owner in writing whether or not the owner's plans have been approved as submitted, or rejected. If the plans and specifications are rejected, the ACC shall inform the lot owner why the plans were rejected and make recommendations and suggestions to aid the lot owner with meeting the ACC requirements.

10. In the event the ACC has not formally approved or rejected the lot owner's plans within thirty (30) days of receipt thereof, such plans shall be deemed as approved as submitted and the related covenants shall be deemed to have been fully complied with.

11. Notwithstanding anything contained herein to the contrary, in no way shall the failure of the ACC or another lot owner to file an action to enjoin the commencement of construction of any structure deemed not to be in compliance prior to the expiration of said thirty-day period be deemed as a waiver of or other implied approval of such violation or non-compliance. The intent of the Developer and this paragraph is to allow the ACC at least thirty days to review the lot owner's plans and specifications for compliance, and all lot owners, by acceptance of their deed, acknowledge and agree the commencement of any construction on a lot prior to the receipt of the response from the ACC or the expiration of said thirty-day period shall toll the said thirty-day period.

12. Any new or existing structure or improvement erected, altered, placed, commenced, or maintained upon any lot which is not in accordance with plans and specifications approved by the ACC pursuant hereto shall be deemed to have been undertaken in violation of this covenant and without the approval of the ACC as required herein, and upon written notice of such violation by the ACC, such construction shall be ceased and such violation removed, or in the alternative, such violation altered or otherwise changed to comply with the ACC's requirements and these covenants.

13. If the owner of the lot upon which such violation exists shall not have taken reasonable steps toward removal or termination of the same within fifteen (15) days of receipt of the notice of such violation from the ACC, the Developer, the ACC, the Association, or any authorized agent shall have the right to enter upon such lot and to take such legal steps necessary, including, but not limited to the filing of a lien upon such lot in question, to enforce compliance with these covenants and all amendments hereto and to make any judgment rendered pursuant thereto a binding, personal obligation of such lot owner.

14. Any lien permitted herein shall not be valid against a bona fide purchaser or mortgagee of the lot in question unless such lien shall have been filed in the appropriate records of the Office of the Judge of Probate of Baldwin County, Alabama prior to the recordation of the deed or mortgage conveying the lot in question to such purchaser or mortgagee.

15. The Developer or the ACC or any agent thereof may at any reasonable time enter upon any Lot in the Subdivision and inspect same and any improvements thereon for the purposes of determining whether all improvements and any construction, painting, maintenance, repair, or other work are in compliance with the provisions of these covenants and the requirements of the ACC, and such entry upon said lot shall not in any way be deemed a trespass or other wrongful act of the Developer or the ACC by reason of such entry or inspection.

16. The owner of any lot, by acceptance of the owner's deed, certifies, covenants and agrees the Developer, the ACC and any architect, agent, partner, or employee thereof shall not be responsible and shall have no liability in any way for any failure of any structure or improvement situated or under construction on any lot in the subdivision or the failure of such structure or other improvement to comply with the requirements of these covenants, or any defect in any plans and specifications submitted, revised or approved in accordance with these covenants, or for any structural or other defects in any construction or other work done or performed in accordance with such plans and specifications approved by the ACC. All persons submitting any such plans and specifications and all persons relying thereon hereby covenant and agree not to make any claim or file any legal proceeding against the Developer, the Association, the Board, the ACC, or any member or agent thereof, for any cause arising out of any matter referred to in this section, and to release said entities and persons from any and every such cause.

SECTION FIVE

GENERAL RESTRICTIONS

1. Lots may be used only for single family residences and shall be subject to the recorded restrictions applicable to the lots. Nothing contained herein shall be construed to prohibit or otherwise restrict a lot owner from renting, leasing, or mortgaging such owner's residence or prohibit such owner from maintaining personal professional libraries, or from keeping personal business or professional records or accounts, or from handling personal uses.

2. No outside toilets are allowed, and all plumbing facilities are required to be connected to an approved sewer system. A temporary toilet facility may be permitted by the Developer, the ACC or other appropriate authorities for purposes of construction of improvements on the lot.

3. No open burning of any kind shall be allowed except as may be permitted by the Developer, the ACC or other appropriate authorities during the construction of improvements in the Subdivision; however, any such burning permitted shall be in compliance with all provisions of these covenants and in accordance with all environmental and health regulations.

4. No noxious, offensive, other activity shall be permitted on any lot or on any common area in the Subdivision which may cause or become a nuisance to any lot owner.

5. The ACC and the Board shall each have the authority to determine what constitutes noxious and offensive activities and such determination shall be complete and final.

6. No wrecked, junked, stripped down, abandoned, discarded, or inoperable motor vehicle or material of any kind, or any sizable part thereof, shall be permitted to be parked or stored upon any lot or along any service driveway, street, or common area in the Subdivision.

7. All lots, ditches, swales, and shoulders of the road must be maintained by the lot owner of the lot adjoining same in a tidy and satisfactory manner, and if such areas are not maintained by the lot owner, the ACC may provide such maintenance and bill the lot owner for same and the cost therefor shall constitute a lien against the lot and be a personal obligation of the lot owner.

8. No discharge of firearms is permitted within the Subdivision.

9. Specifically and expressly reserved herein to the Developer, the Association, the ACC, and their duly authorized agents, representatives, managers, and employees, are any and all easements necessary to discharge and perform the duties and obligations of the Developer, the Association and the ACC as are set forth herein and in the Articles and By-Laws, including, but not limited to, easements on and across any lot or common area in the Subdivision for the purpose of inspection.

10. Drainage and utility easements are reserved throughout the entire Subdivision and all lots therein as may be required to adequately serve the lots located in the Subdivision for drainage and utility services, including, but not limited to, easements for water, sewer, gas electricity, telephone and cable television. Such easements are shown and on the said recorded plat of the Subdivision.

11. Each and every easement provided for herein shall be established upon the recordation of these covenants, and shall thereafter be deemed to be covenants running with the land for the use and benefit of the lot and the Subdivision and shall be superior to all other encumbrances applied against or in favor of any portion of the Subdivision property subjected hereto.

SECTION SIX **ASSOCIATION RIGHTS**

1. Each member of the Association shall as owner of one or more lots in the Subdivision have a right and non-exclusive easement for the use and enjoyment in and to the common area(s) of the Subdivision.

2. All rights and easements shall be appurtenant to and shall pass with title to every lot in the Subdivision subject to the following limitations, to-wit:

(a) The right of the Association to pass and adopt reasonable rules and regulations regulating the use and enjoyment of the lots and common areas.

(b) The right of the Association to suspend the voting rights of any lot owner for a period during which any assessment against such member's lot remains delinquent.

SECTION SEVEN **MAINTENANCE ASSESSMENTS**

1. The Association, by and through its Board, shall have the authority to levy and charge such assessments deemed necessary for the proper care, maintenance and management of the Subdivision, and all assessments shall be established, made and collected as provided herein.

2. Each and every person or entity holding title to any lot in the Subdivision whether such lot is now or hereafter created as part of the Subdivision, hereby expressly covenants and agrees, and by acceptance of the deed therefor, shall be deemed to covenant and agree, to pay to the Association general assessments whether or not the basis of such assessments are expressed in such owner's deed.

3. All general and special assessments levied and assessed hereunder shall be on the date shown on such assessment, or if no date is shown, then immediately upon receipt. Any such assessment not paid when due shall, at the option of the Board, be charged interest thereon at the rate of eighteen percent (18 %) per annum from the date said assessment became due, together with any and all costs of collection thereof incurred by the Association, including reasonable attorney's fees.

4. All assessments hereunder, together with all interest thereon and all attorney's fees and other costs and expenses related to such assessments, shall be the personal obligation of the lot owner and shall constitute and be deemed a continuing lien and encumbrance on the lot against which such assessment is made. No purchase or assumption by a subsequent owner shall relieve the prior or the current owner for such personal liability for any delinquent assessments.

5. Assessments shall be used exclusively to ensure the proper and continued operation, management, and maintenance of the Subdivision and its common areas, and to ensure and promote the health, safety and welfare of the lot owners. Such assessments shall include, but not be limited to, the payment of all costs and expenses incurred by Association, the Board and the ACC in the performance of each's respective duties and obligations as set forth herein and in the Articles, and the establishment of reasonable reserves for the continued operation, management, maintenance, repair and replacement of the common areas and the retention ponds located in the Subdivision.

6. The Association shall levy and assess a general assessment each fiscal year in an amount sufficient and adequate to finance and pay for the operations and activities of the Association and to satisfactorily maintain the common area(s) and to establish and maintain adequate repair reserves.

7. The Developer shall maintain all common areas of the Subdivision until fifty percent (50.0%) of the Lots in the Subdivision have been conveyed to purchasers other than the Developer. Thereafter, the Association shall adopt a budget for such maintenance and set the fees therefor.

8. General assessments may be increased in any year if the current assessment is not sufficient to cover the actual or anticipated costs of maintenance of the Subdivision and its common areas. General assessments may also be increased in any year to cover the actual or estimated costs of adding and/or maintaining any new structure added to any common area.

9. Special assessments may also be levied by the Association for any violation of these covenants or as the Association otherwise deems necessary and proper as circumstances may warrant, and any such special assessment will be assessed against the lot and the lot owner in the manner set forth herein.

10. Each and every general and special lien for assessment provided for herein shall not be subordinated or deemed to be subordinate to the lien of any mortgage or other valid lien encumbering the lot in question except for the lien of a valid first purchase-money mortgage given and made in good faith, for value, without notice, and is properly of record, provided however, such mortgage is recorded prior to the recordation of the Association's claim of lien. Any such first purchase-money mortgage recorded after the recordation of the Association's lien shall be subject and subordinate to the Association's lien.

11. The sale or other transfer of a lot shall in no way change or otherwise affect the Association's lien against such lot, and shall not defeat or otherwise affect the personal obligation of the owner of such lot notwithstanding whether such sale or other transfer occurred prior to, on or after the recordation of the Association's lien. Each lot purchaser and owner is charged with the responsibility to ascertain and pay any and all assessments due and owing against such lot.

12. No violation of any covenant contained herein shall render invalid the lien of any mortgage on any lot in the Subdivision made and given in good faith, for value, and without notice; however, any mortgagee in actual possession or any purchaser at any foreclosure sale shall be bound by and be subject to these covenants as fully as any and all other lot owners in the Subdivision.

SECTION EIGHT **VARIANCES**

1. Variances pertaining to the location and set back of a house or other building to be constructed on the lot may be granted by the ACC under certain and special circumstances.

2. The standard of review for any such variance shall be in a case of an unusual shaped lot or where an unusual or different kind of building or improvement is contemplated, and in those cases where certain restrictions would cause an undue hardship to the lot owner.

3. Notwithstanding anything contained herein to the contrary, no variance shall be granted which will be materially detrimental to the interest of other lot owners in the Subdivision.

SECTION NINE **AMENDMENT**

1. These covenants may be amended upon and pursuant to the written consent of lot owners representing not less than seventy percent (70 %) of the total votes eligible to be cast and in the manner prescribed in the Association's By-Laws.

2. Notwithstanding anything contained herein to the contrary, the Developer shall have and does hereby specifically retain and reserve the absolute right to unilaterally amend these Covenants without notice at any time prior to the time the Developer relinquishes all rights, title and control of the Association as required herein.

3. No amendment hereunder shall be valid unless such amendment has first been properly approved by said percentage of the lot owners, or has been properly made and executed by the Developer prior to the time the Developer has relinquished control of the Association as required herein, and such amendment complies with all the requirements set forth herein. Any other attempt to amend the provisions of these covenants shall be null and void and of no effect.

4. Any proper amendment hereof, whether by the Developer, the Association, or otherwise, shall be valid and effective immediately upon the proper recordation of same in the Office of the Judge of Probate of Baldwin County, Alabama.

SECTION TEN
REMEDIES

1. The Association, the ACC, and the Developer (as long as the Developer owns any lot in the Subdivision), shall have the right to enforce any covenant, condition, obligation, restriction, lien, or charge now or hereafter imposed hereunder, available at law or in equity or otherwise.

2. All costs and expenses incurred by the Association, the ACC, and/or the Developer for the collection of any sums due hereunder or the enforcement of any such covenant, condition, obligation, restriction, lien or other provision hereof shall be chargeable to the owner of the lot violating these covenants and shall constitute a lien on such owner's lot.

3. In the event of a violation or breach of any covenant, condition, obligation, restriction, or provision contained herein or the Articles or the By-Laws, or any amendments hereto, by any lot owner or any family member, guest, agent employee, or lessee of such owner, in addition to any other right or remedy available at law or in equity or otherwise, the Association, the ACC, and the Developer (as long as the Developer is a lot owner), their successors and assigns, and any other party to whom these covenants shall inure, shall have the right to pursue any one or more of the following remedies, to-wit:

(a) File a suit or other legal action or other proceeding at law or in equity for an injunction or to recover damages or other amounts due or to compel compliance with the terms and conditions hereof, and to file for and seek the recovery of all cost and expenses of such action, including, but not limited to, a reasonable attorneys fee.

(b) Prevent the violation or breach hereof by self help or abatement of the violation, and the expenses and charges incurred therefor shall be taxable against the violating lot owner and the owner's lot and constitute a lien against the owner's lot by the Association until such owner has reimbursed all such expenses, interest, attorney's fees and costs.

(c) To impose a fine, together with interest, costs, and attorney's fees, against such violating lot owner in an amount or amounts levied by the Board, the ACC, or as may be determined and established by a majority of the lot owners, and such fine, costs, attorney's fees and other expenses shall constitute and be a lien upon the lot owned by the violating owner and evidenced by the filing of a claim of lien in the Office of the Judge of Probate of Baldwin County, Alabama.

5. Any lien hereunder shall be collectable in the same manner as an assessment, and if such lien is not paid, said lien may be foreclosed and the lot sold as in the case of past due mortgages.

6. In no event shall the award of damages in an action to enforce compliance herewith be deemed the only remedy or adequate compensation for any breach or violation hereof and shall be in addition to any other specific relief such as an injunction or any other available relief.

7. Each and every remedy set forth herein shall be cumulative and in addition to all other remedies, whether available at law or in equity or otherwise.

SECTION ELEVEN
ACCEPTANCE OF DECLARATION

1. Every lot owner, whether a person or entity, by acceptance of their deed or otherwise acquiring any lot owner's interest in any portion of the Subdivision, thereby binds such owner and such owner's heirs, executors, personal representatives, successors, transferees, and assigns, to all of the covenants, conditions, obligations, restrictions, provisions, rules, and regulations now or hereafter imposed by these covenants and any amendment hereto.

2. Every lot owner, whether a person or entity, by acceptance and recordation of their deed, does thereby acknowledge, consent, covenant and agree as follows, to-wit:

(a) These covenants set forth a general policy for the overall improvement and development of the Subdivision.

(b) These covenants are mutually beneficially to and enforceable by the Association, the ACC, the Developer, and any current or subsequent owner.

(c) These covenants and any amendments hereto shall run with the land and be binding on each and every lot and lot owner and all subsequent owners, purchasers, grantees, transferees and assigns thereof.

ARTICLE TWELVE
NO WAIVER

The delay or failure on the part of the Association, the ACC, the Developer, any lot owner, or any other aggrieved party, to initiate or pursue any available right or remedy set forth herein, whether same shall be at law, in equity or otherwise, shall not be deemed or construed in any way to be a waiver of such right or remedy or of said party or as an estoppel of said party or of any other party to assert such right or remedy or any other right or remedy available upon the recurrence or continuation of said violation or the occurrence of a different violation.

SECTION THIRTEEN
SEVERABILITY

All of the covenants, conditions, restrictions and reservations contained herein are hereby declared to be severable, and a finding by any court of competent jurisdiction that any one or more of them or any cause or phase thereof is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenant, condition, restriction, reservation, clause or phrase thereof.

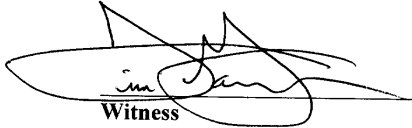
SECTION FOURTEEN
REVERTER

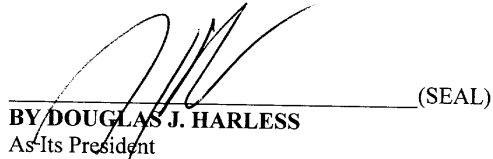
No covenant, condition, restriction or other provision herein shall constitute a condition subsequent or create any possibility of reverter.

IN WITNESS WHEREOF, the undersigned as Developer of the Subdivision has caused this instrument to be executed under seal, by and through its duly authorized officer, whose name is set out below, on this 23RD day of APRIL, 2001.

ATTEST:

HARLESS DEVELOPMENT COMPANY, INC.,
An Alabama Corporation


Witness

 (SEAL)
BY **DOUGLAS J. HARLESS**
As Its President

STATE OF ALABAMA }
COUNTY OF BALDWIN }

I, the undersigned, a Notary Public in and for said county and said state, do hereby certify that **DOUGLAS J. HARLESS**, whose name as President of **HARLESS DEVELOPMENT COMPANY, INC.**, an Alabama Corporation, is signed as GRANTOR to the foregoing Declaration and who is known to me, acknowledged before me on this day, that, after being informed of the contents of said conveyance, he, as such officer and with full authority, executed said instrument voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal on this 23RD day of APRIL, 2001.

My Commission Expires:

June 9, 2004

NOTARY PUBLIC

This Instrument Prepared By:
Timothy D. Garner
Attorney at Law
Post Office Box 3304
Gulf Shores, Alabama 36547-3304
(334) 968-5540

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

2001 May - 3 8:30AM

Instrument Number 594674 Pages 14
Recording 42.00 Mortgage
Deed Min Tax
Index DP 1.00
Archive 3.00
Adrian T. Johns, Judge of Probate