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**AMENDED AND RESTATED MASTER DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CYPRESS VILLAGE**

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AMENDED AND RESTATED MASTER DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
CYPRESS VILLAGE

This AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (the "Covenants") are made as of the ____ of _____, 2017, by THE CYPRESS VILLAGE MASTER ASSOCIATION, INC., an Alabama non-profit corporation (the "Association") and are applicable to the master community known as Cypress Village (the "Community"), located in Baldwin County, Alabama and more particularly described below.

RECITALS

A. On December 13, 2006, CPSI-UCO, LLC, an Alabama limited liability company ("Developer") recorded that certain Master Declaration of Covenants, Conditions, and Restrictions for Cypress Village at Instrument Number 1019654 in the Office of the Judge of Probate of Baldwin County, Alabama (the "Public Records"), as amended by (i) that certain Amendment to Master PUD Documents for Cypress Village and Agreement recorded at Instrument Number 1413922 in the Public Records, and (ii) that certain Amendment to the Master Declaration of Covenants, Conditions, and Restrictions for Cypress Village recorded at Instrument Number 1429586 in the Public Records (collectively, the "Original Master Declaration"), with respect to that certain real property located in the City of Orange Beach, Baldwin County, Alabama, and described in the Original Declaration as the "Property."

B. The Property included all of the property shown on that certain Subdivision Plat of Cypress Village Subdivision, a Planned Unit Development, Filing Number One recorded at Slides 2266-A through 2266-D in the Public Records ("Filing Number One"), on May 10, 2006. Developer subsequently recorded (i) that certain Subdivision Plat of Cypress Village Subdivision, a Planned Unit Development, Filing Number Two at Slides 2311-A through 2311-F in the Public Records ("Filing Number Two"), and (ii) that certain Subdivision Plat of Cypress Village Subdivision, a Planned Unit Development, Filing Number Three at Slides 2489-A and 2489-B ("Filing Number Three", and together with Filing Number One and Filing Number Two, the "PUD Plat").

C. Lot 3 of the PUD Plat ("Lot 3") was removed from the jurisdiction of the Original Master Declaration and the Cypress Village Master Association, Inc., an Alabama non-profit corporation (the "Association") pursuant to that certain Amendment to Master PUD Documents for Cypress Village and Agreement recorded at Instrument Number 1413922 in the Public Records. Accordingly, the owners of lots located in Lot 3 are not members of the Association, are not subject to the terms and conditions of the Original Master Declaration, and are not "Owners" as defined in the Original Master Declaration.

D. CV Settlement Holdings, LLC, an Alabama limited liability company ("CV Settlement") recorded that certain Declaration of Condominium of Cypress Village Courtyard Cottages, a Condominium (the "Condo Declaration") to be recorded at Instrument Number 1429587 in the Public Records and recorded those certain "As-Builts" at Instrument Number

1429588 in connection therewith, thereby establishing a condominium regime for Lot 106 of the PUD Plat ("Lot 106"). CV Settlement also formed the Cypress Village Courtyard Cottages Owners Association, Inc., an Alabama non-profit corporation (the "Condo Association") in connection with the same.

E. Truland Homes, LLC, an Alabama limited liability company ("Truland"), is the current owner of Lot 106. Truland, as the owner of Lot 106, has caused the Condo Declaration and As-Builts to be terminated pursuant to that certain Termination of Condominium of Cypress Village Courtyard Cottages, a Condominium, recorded at Instrument Number 1647740 in the Public Records. The Condo Association has been dissolved by the Alabama Secretary of State pursuant to that certain dissolution recorded at Instrument Number 1647739 in the Public Records.

F. Following the termination of the condominium regime, Truland caused Lot 106 to be resubdivided into seventy-three (73) single-family residential lots as shown on that certain plat of subdivision for Cypress Village, Courtyard Cottages Subdivision, a PUD to be recorded at Slides _____ in the Public Records (the "Courtyard Cottages Plat"). Truland is the owner of all seventy-three (73) lots shown on the Courtyard Cottages Plat (the "Courtyard Cottages Lots").

G. Per Section 11.3 of the Original Master Declaration, after December 31, 2010, the Association may amend the Original Master Declaration if such amendment is approved by Owners holding at least two-thirds (2/3) of the total votes of the Association.

H. Following the recordation of the Courtyard Cottages Plat, there are a total of one hundred seventy-five (175) residential lots in the Community, and two (2) commercial lots in the Community.

I. Per Section 4.3 of the Original Master Declaration, commercial lots are only entitled to vote in the Association once an improvement has been constructed thereon. No improvements have been constructed on either of the two (2) commercial lots as of the date hereof.

J. Including the Courtyard Cottages Lots, Truland owns a total of one hundred fifteen (115) lots in the Community (the "Truland Lots"), and CV Settlement Holdings, LLC, an Alabama limited liability company ("CV Settlement"), owns a total of thirteen (13) lots in the Community (the "CV Settlement Lots"). The total of the Truland Lots and the CV Settlement Lots is greater than two-thirds (2/3) of the Owners of lots in the Community.

K. On _____, 2017, a meeting of the Association was held to vote on amending and restating the Original Declaration pursuant to the terms and conditions herein. Notice of such meeting was sent to all Owners on _____, 2017. At such meeting, Truland and CV Settlement voted in favor of thereof, thereby satisfying the two-thirds (2/3) vote requirement mandated in Section 11.3 of the Original Master Declaration.

L. In accordance with the two-thirds (2/3) vote of the Owners, the Association now desires to amend and restate the Original Declaration in accordance with the terms and conditions hereof.

NOW, THEREFORE, the Association hereby amends and restates the Original Master Declaration, all in accordance with the terms and conditions herein.

ARTICLE 1 DEFINITIONS

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

Section 1.1 [INTENTIONALLY DELETED.]

Section 1.2 Additional Property. The term "Additional Property" shall mean and refer to any real property and any Improvements situated thereon lying adjacent to or in close proximity with the Property that the Association may from time to time submit and add to the provisions of these Covenants. The Additional Property may also include additional Common Areas.

Section 1.3 Articles of Incorporation. The term "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Cypress Village Master Association and all amendments thereto.

Section 1.4 Assessment. The term "Assessment" shall mean the annual and special assessments and any other charges assessed against any Lot or Dwelling by the Association pursuant to Article 9, or an Association Expense.

Section 1.5 Association. The term "Association" shall mean Cypress Village Master Association, Inc., an Alabama nonprofit corporation, the members of which will be Owners of all Lots on the PUD Plat and the Courtyard Cottages Plat (collectively, the "Plats"), less and except the owner(s) of Lot 3.

Section 1.6 Association Expenses. The term "Association Expenses" shall mean and refer to all expenditures made or incurred by or on behalf the Association including, without limitation, those expenditures described in Article 9 and Section 4.4, below.

Section 1.7 Board. The term "Board" shall mean and refer to the members of the Board of Directors of the Association and their duly elected successors as may be provided for in the Articles of Incorporation and Bylaws, as the same may exist from time.

Section 1.8 Bylaws. The term "Bylaws" shall mean and refer to the bylaws of the Association, as the same may be amended from time to time.

Section 1.9 Builder. The term "Builder" shall refer to means any commercial home builder or contractor who owns one or more Lots in the Subdivision and is in the business of constructing residential structures to sell to owner-occupants.

Section 1.10 Commercial Lot. The term "Commercial Lot" shall mean and refer to any unimproved portion of the Property upon which the Owner thereof intends that a commercial building be constructed. A parcel of land shall be deemed unimproved and thus considered to be a Commercial Lot rather than an Improved Commercial Lot until a Certificate of Occupancy or final inspection is issued by the City of Orange Beach, Alabama.

Section 1.13 Common Areas. The term "Common Areas" shall mean and refer to all real and personal property or easements now or hereafter owned by the Association for the nonexclusive, common use and enjoyment of the Owners and their tenants, guests and invitees. The Common Areas shall include (a) all private roadways and easements located within the boundaries of the Community that provide ingress to and egress from any portion thereof (other than any such private roadways or easements that are located solely within the boundary lines of any Lot), (b) all signage, street lights, lighting, walkways, sidewalks, paths, bicycle and jogging paths and lanes, gates, walls, fences, limited access facilities, Improvements, landscaped or other areas immediately adjacent to any public or private roadways that may be adjacent to or in close proximity with the Community that provide ingress to and egress from any portion of the Community (other than any such areas located solely within the boundary lines of any Lot), (c) all lakes, water features, storm drains and sewers, sewer lines, drainage, watershed protection or retention ponds, lakes, basins or other areas and facilities located within the Community (other than such areas located solely within the boundary lines of any Lot), (d) all maintenance areas and parking areas located on any portion of the Community (other than such areas located solely within the boundary lines of any Lot), (e) all utility lines, pipes, ducts, conduits, equipment, machinery and other apparatus and appurtenances that are located in or serve any portion of the Common Areas, (f) all recreational facilities, club houses, meeting rooms or similar facilities that may be developed the Association, (g) all parks, nature trails, recreational facilities and areas, (h) all easements and easement areas within the Community (other than such areas located solely within the boundary lines of any Lot), and (i) any other areas or Improvements on or within the Community that are designated as Common Areas from time to time. The designation of any land or Improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment thereof or any other rights, licenses or benefits therein.

Section 1.14 Common Expenses. The term "Common Expenses" shall mean and refer to all expenditures made or incurred by or on behalf of the Association, including, without limitation, those expenses described in Articles 8 and 9, below, and as to a particular Association concerning those expenses described in Article 6, below, all funds assessed for the creation or maintenance of reserves pursuant to the provisions of these Covenants, and a proportionate share of all Association Expenses.

Section 1.15 Community. The term "Community" shall refer to all of the property shown on the Plats, less and except Lot 3.

Section 1.16 [INTENTIONALLY DELETED.]

Section 1.17 [INTENTIONALLY DELETED.]

Section 1.18 [INTENTIONALLY DELETED.]

Section 1.19 Covenants. The term "Covenants" shall mean and refer to the Covenants, Conditions and Restrictions for Cypress Village as set forth herein, and all amendments thereto.

Section 1.20 Cypress Village. The term "Cypress Village" shall refer to the Community.

Section 1.21 Design Code. The term "Design Code" shall mean the standards prepared, issued and amended from time to time by the DRB pursuant to Section 5.4, below, for the purpose of reviewing and approving all exterior improvements, landscaping and other Improvements that may be made to any Lot.

Section 1.22 Developer. The term "Developer" shall mean CPSI-UCO, LLC, an Alabama limited liability company, and its successors and assigns.

Section 1.23 [INTENTIONALLY DELETED.]

Section 1.24 DRB. The term or letters "DRB" shall mean the Design Review Board appointed pursuant to Section 5.2 hereof with the rights and obligations conferred upon such Design Review Board pursuant to these Covenants.

Section 1.25 Dwelling. The term "Dwelling" shall mean and refer to any residential home constructed on any Lots shown on the Plats, less and except Lot 3. Wherever any of the phrases "Lot or Dwelling," "Lots or Dwellings," "Lot and Dwelling" or "Lots and Dwellings" appear herein, the term "Dwelling" or "Dwellings" in those instances shall include the Lot or Lots upon which such Dwelling or Dwellings are constructed.

Section 1.26 Governmental Authority. The term "Governmental Authority" shall mean any and all city, county, state and federal governmental or quasi-governmental agencies, bureaus, departments, divisions or regulatory authorities having jurisdiction over any portion of the Community.

Section 1.27 Improved Commercial Lot. The term "Improved Commercial Lot" shall mean a Commercial Lot upon which a commercial or office building has been completed, and a certificate of occupancy or other final inspection received from the City of Orange Beach.

Section 1.28 Improved Residential Lot. The term "Improved Residential Lot" shall mean a residential lot upon which a Dwelling has been completed, and a certificate of occupancy or other final inspection received from the City of Orange Beach.

Section 1.29 Improvement. The term "Improvement" shall mean and refer to all Dwellings, office buildings or commercial buildings and any building, structure, planting or device constructed, erected or placed upon the Property that in any way affects the exterior appearance of any Lot, Dwelling or Common Area. Improvements shall include, by way of illustration and not limitation, buildings, foundations, covered patios, helipads, underground

utilities, septic tanks, roads, driveways, walkways, paving, curbing, parking areas, trees, shrubbery, landscaping, fences, screening, walls, and any other artificial or manmade changes or alterations to the natural condition of any Lot, Dwelling or Common Area. "Improvements" shall also mean any grading and any excavation or fill, the volume of which exceeds eight cubic yards, and any soil erosion controls, ponds, lakes, or drainage channels constructed on the Property.

Section 1.30 Institutional Mortgagee. The term "Institutional Mortgagee" shall mean and refer to (a) any federal or state chartered bank, trust company, life insurance company, federal or state savings and loan association, real estate investment trust or other recognized lending institution that normally and customarily engages in the business of making Mortgage loans, (b) any institutional or governmental purchaser of Mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, and (c) any pension or profit-sharing trust that makes Mortgage loans or that purchases Mortgage loans in the secondary market, that holds a first Mortgage on any Lot or Dwelling that has been duly and properly recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 1.31 Limited Common Areas. The term "Limited Common Areas" shall refer to all real and personal property or easements now or hereafter owned by the Association or a Sub-Association for the exclusive use and enjoyment of specific Owners to the exclusion of other Owners.

Section 1.32 [INTENTIONALLY DELETED.]

Section 1.33 Lot. The term "Lot" shall mean all lots shown on the Plats, less and except Lot 3.

Section 1.34 Mortgage. The term "Mortgage" shall mean and refer to any mortgage, deed of trust or other security device encumbering a Lot, Dwelling, Commercial Lot or any interest therein and which shall have been duly and properly recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 1.35 Mortgagee. The term "Mortgagee" shall mean and refer to the holder of any Mortgage and shall include any Institutional Mortgagee.

Section 1.36 Occupant. The term "Occupant" shall mean and include any Owner and the family members, guests, tenants, agents, servants, employees and invitees of any Owner and their respective family members, guests, tenants, agents, servants, employees, invitees and any other person who occupies or uses any Lot or Dwelling within the Property. All actions or omissions of any Occupant are and shall be deemed the actions or omissions of the Owner of such Lot or Dwelling.

Section 1.37 Property. The term "Property" shall mean and refer to all of the property shown on the Plats, less and except Lot 3.

Section 1.38 Owner. The term "Owner" shall mean and refer to the record owner of fee simple title of all Lots in the Community, but shall not include (i) any Mortgagee unless and until such Mortgagee has foreclosed on its Mortgage and purchased such Lot or Dwelling at the foreclosure sale held with respect to the foreclosure of such Mortgage or (ii) any lessee, purchaser, contract purchaser or vendor who has an interest in any Lot or Dwelling solely by virtue of a lease, contract, installment contract or other agreement.

Section 1.39 [INTENTIONALLY DELETED.]

Section 1.40 Residential Lot. The term "Residential Lot" shall mean and refer to any Lot upon which the Owner thereof intends that a Dwelling is to be constructed.

Section 1.41 Sub-Association. The term "Sub-Association" shall refer to any property owners' association that is formed for the purposes of owning and maintaining any Limited Common Area or Common Area that is dedicated to or intended for the use and benefit of certain Owners to the exclusion of other Owners.

Section 1.42 [INTENTIONALLY DELETED.]

Section 1.43 [INTENTIONALLY DELETED.]

Section 1.44 [INTENTIONALLY DELETED.]

**ARTICLE 2
PROPERTY SUBJECT TO COVENANTS**

Section 2.1 General. The Property is and shall be subject to the easements, covenants, conditions, restrictions, charges, liens and regulations of these Covenants, and the Property, any part thereof and each Lot, Dwelling and Common Area thereon shall be held, owned, sold, transferred, conveyed, encumbered, leased, occupied, built upon and otherwise used, improved and maintained, subject to the terms of these Covenants, which easements, covenants, conditions, restrictions, charges, liens and regulations shall run with the title to the Property and shall be binding upon and inure to the benefit of all Owners and Occupants of the Property and any Lot, Dwelling or Common Area thereof, whether unimproved or improved.

Section 2.2 Additional Property. Developer reserves the right, in its sole and absolute discretion, at any time and from time to time during the pendency of these Covenants, to add and submit any Additional Property to these Covenants and, to the extent any of the Additional Property is specifically submitted to these Covenants by Developer, then any such Additional Property shall constitute part of the Property. Additional Property may be submitted to these Covenants by an instrument executed by Developer in the manner required for the execution of deeds and recorded in the Office of the Judge of Probate of Baldwin County, Alabama, which instrument shall be deemed an amendment to these Covenants (which need not be consented to or approved by any Owner, Occupant or Mortgagee of any Lot, Dwelling or Common Area) and shall (a) refer to these

Covenants, stating the instrument number in the Office of the Judge of Probate of Baldwin County, Alabama, designating where these Covenants are recorded, (b) contain a statement that such Additional Property is conveyed subject to the provisions of these Covenants or only specified portions thereof; (c) contain an exact description of such Additional Property and (d) state such other or different covenants, conditions and restrictions as the Developer, in its sole discretion, shall specify to regulate and control the use, occupancy and improvement of such Additional Property. From and after the date on which any amendment to these Covenants is recorded in the Office of the Judge of Probate of Baldwin County, Alabama submitting any Additional Property to the provisions of these Covenants, the number of votes in the Association and the Association shall be increased by the number of Lots and Dwellings in accordance with the voting formula contained in Section 4.3 hereafter and in accordance with the voting rights set forth hereafter and in the Bylaws. In no event shall Developer be obligated to submit any Additional Property to the provisions of these Covenants or to impose any of the covenants, conditions or restrictions set forth in these Covenants upon any real property owned by Developer other than the Property. Notwithstanding anything provided in these Covenants to the contrary, (1) the provisions of this Section 2.2 may not be abrogated, modified, rescinded, supplemented or amended, in whole or in part, without the prior written consent of Developer, and (2) the rights reserved by Developer pursuant to this Section 2.2 shall not be deemed to inure to the benefit of any transferee or purchaser of any Additional Property, or any portion thereof, unless Developer, in its sole discretion, transfers and conveys to such transferee or purchaser the rights reserved herein by express reference to Section 2.2 of these Covenants. In no way limiting the foregoing, the Association, by and through its Board, shall have the same right to add Additional Property to these Covenants as granted to Developer in this Section 2.2.

Section 2.3 [INTENTIONALLY DELETED.]

Section 2.4 Mutuality of Benefit and Obligation. The provisions of these Covenants are made (a) for the mutual and reciprocal benefit of each Lot and Dwelling within the Property and are intended to create mutual, equitable servitudes upon and in favor of each Lot and Dwelling, (b) to create reciprocal rights and obligations between the respective Owners and all future and subsequent Owners of any Lot in the Community and (c) to create a privity of contract and estate between the Owners and their respective heirs, successors and assigns.

Section 2.5 [INTENTIONALLY DELETED.]

Section 2.6 [INTENTIONALLY DELETED.]

ARTICLE 3
EASEMENTS

Section 3.1 Grant of Nonexclusive Easements to Owners.

(a) Common Areas. Subject to the terms and conditions of these Covenants and the rules, regulations, fees and charges from time to time established by the Board and the Association, the Association does hereby grant to each Owner and Occupant the nonexclusive right, privilege and easement of access to and the use and enjoyment of the Common Areas. The

easement and rights granted pursuant to this Section 3.1(a) are and shall be permanent and perpetual, are nonexclusive, are appurtenant to and shall pass and run with title to each Lot and Dwelling.

(b) Private Roadways. Subject to the terms and conditions set forth in these Covenants, and subject also to the traffic rules and regulations described in Section 7.31 hereafter, the Association does hereby grant to each Owner and Occupant, for ingress and egress to and from any Lot, a nonexclusive easement over and upon, and the right to use for pedestrian or vehicular travel, as appropriate, the private roadways and trails within the Property, and all other Owners and Occupants and the rights of all other parties having any interest or rights therein including. The easement and right to use granted pursuant to this Section 3.1(b) are and shall be permanent and perpetual, are nonexclusive, and are appurtenant to and shall pass and run with title to Lots or Dwellings. The easement and right to use granted pursuant to this Section 3.1(b) are also subject to all rights of the Association to upgrade and improve any intersection of the Property and any other street or highway when such upgrading or improvement is necessary to maintain acceptable traffic flow within the Community. Such upgrading and improving shall include, but not be limited to, the installation of traffic signals at any such intersection. The cost of such maintenance and/or improvements shall be included in the Association Expenses pursuant to Article 9 below.

Section 3.2 Grant of Easement to Governmental Authorities. Subject to the provisions of Sections 3.3(a) and 3.3(b) below, the Association does hereby grant to each branch, bureau, department and agency of any Governmental Authority and its respective agents, employees and representatives, a permanent, perpetual and nonexclusive easement over, across, through and upon all of the private roadways within the Community forming a part of the Common Areas for the purposes of performing such duties and activities related to law enforcement, fire protection, trash and refuse collection, building inspection services, mail and package delivery, medical and emergency services and any other functions or duties to be performed by the Governmental Authorities as shall be required or appropriate from time to time.

Section 3.3 Reservation of Controlled Access Easement.

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

(b) Right to Install Limited Access Facilities. The Association shall have the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates

controlling, limiting and restricting vehicular and pedestrian access to and from any portion of the Community.

(c) [INTENTIONALLY DELETED.]

(d) Recreational Facilities. Subject to the provisions of these Covenants and the rules, regulations, fees and charges now time to time established by the Association, each Owner and Occupant shall have a nonexclusive right, privilege and easement for access to and the use and enjoyment of the recreational areas, facilities and amenities now or hereafter located in the Common Areas. The easement and rights granted herein are and shall be permanent and perpetual, are nonexclusive, and are appurtenant to, and shall pass and run with title to, each Lot.

(e) Benefit of Easements. The easements, rights and privileges granted in Sections 3.1 and 3.3 shall pass with each Lot as an appurtenance thereto and may not be severed, transferred, assigned or otherwise alienated separate or apart from a Lot.

Section 3.4 Reservation of General Access Easement. The Association, the DRB, and their respective agents, employees, representatives, invitees, successors and assigns, shall have a permanent and perpetual nonexclusive easement appurtenant over, across, through and upon each Lot for the purpose of providing access and ingress to and egress from each Lot for (a) the inspection of each Lot and any Improvements thereon to determine compliance with the provisions of these Covenants, and (b) the performance of the respective duties of the Association and/or the DRB pursuant to any of the provisions of these Covenants or the Association Bylaws; provided, however, that upon completion and occupancy of any Dwelling, then except in the event of emergencies, the foregoing easement shall be utilized only during normal business hours and then, whenever practicable, only upon advance notice to the Owner or Occupant of such Lot directly affected thereby.

Section 3.5 [INTENTIONALLY DELETED.]

Section 3.6 Reservation of Easement for Utilities. The Association does hereby establish and reserve for itself and its agents, employees, representatives, invitees, successors and assigns, a permanent and perpetual nonexclusive easement appurtenant over, across, under, through and upon all portions of the Common Areas and all Lots or Dwellings that are reasonably necessary for the purpose of installing, erecting, replacing, relocating, maintaining and operating master television or cable systems, limited access facilities and similar systems and all utilities necessary or convenient for the use of any portion of the Community including, without limitation, publicly or privately owned and operated electrical, gas, telephone, water and sewer services, storm drains and sewers, irrigation systems, drainage systems, retention ponds, lakes, basins and facilities, lines, pipes, conduits, equipment, machinery and other apparatus and appurtenances necessary or otherwise reasonably required in order to provide any utility service to any portion of the Community. The easements established and reserved herein shall include the right to cut and remove trees, undergrowth and shrubbery, to grade, excavate or fill and to otherwise take all other action reasonably necessary to provide economical and safe installation, maintenance, repair, operation and replacement of all such utility services and

easement appurtenant over, across, under, through and upon all portions of the Common Areas and all Lots or Dwellings that are reasonably necessary for the purpose of installing, erecting, replacing, relocating, maintaining and operating master television or cable systems, limited access facilities and similar systems and all utilities necessary or convenient for the use of any portion of the Community including, without limitation, publicly or privately owned and operated electrical, gas, telephone, water and sewer services, storm drains and sewers, irrigation systems, drainage systems, retention ponds, lakes, basins and facilities, lines, pipes, conduits, equipment, machinery and other apparatus and appurtenances necessary or otherwise reasonably required in order to provide any utility service to any portion of the Community. The easements established and reserved herein shall include the right to cut and remove trees, undergrowth and shrubbery, to grade, excavate or fill and to otherwise take all other action reasonably necessary to provide economical and safe installation, maintenance, repair, operation and replacement of all such utility services and the systems, equipment and machinery used to provide the same. Notwithstanding anything provided in this Section 3.6 to the contrary, (a) the utilization of any of the easements and rights established and reserved pursuant to this Section 3.6 shall not unreasonably interfere with the use or occupancy of any Dwelling, and (b) the Association shall use good faith efforts to attempt to cause any utility company or other supplier or provider of any utility service that may utilize any of the easements and rights reserved and established pursuant to this Section 3.6 to take reasonable action to repair any damage to any Lot caused by such utility company or other supplier or provider of such utility service during the exercise of any rights established and reserved herein.

Section 3.7 Reservation of Easements for Signs, Walks, Boardwalks and Trails. The Association does hereby establish and reserve for itself, its respective agents, employees, representatives, invitees, successors and assigns, a permanent and perpetual easement appurtenant over, across, through and upon a strip of land 50 feet in width on any side of any Lot lying parallel and directly adjacent to and abutting any public or private roadway, for the purpose of constructing, installing, maintaining, repairing, operating, replacing and the use of sidewalks, walkways, boardwalks, trails, bicycle and jogging paths and lanes, traffic directional signs, street lights and related improvements; provided, however, that the Association shall not, by virtue of this sentence, have any obligation to construct any of the foregoing improvements. IT IS UNDERSTOOD THAT SAID 50-FOOT SIDE SETBACK LINE MAY BE MODIFIED BY THE ASSOCIATION IN PLAT RESTRICTIONS OR OTHERWISE.

Section 3.8 Reservation of Maintenance Easement. Subject to the provisions of Article 8, below, the Association, and its respective agents, employees, representatives, invitees, successors and assigns, shall have a permanent and perpetual right and easement to enter upon any Lot the Owner of which is subject to the Bylaws of that particular Association, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash so as to maintain reasonable standards of health, fire, safety and appearance within the Community; provided, however, that such easement shall not impose any duty or obligation upon the Association to perform any of the foregoing actions.

Section 3.9 [INTENTIONALLY DELETED.]

Section 3.10 Landscaping by Owners on Easement Areas. The Association, any Governmental Authority, any utility company, and each of their respective agents, employees, representatives, invitees, successors and assigns, shall not be liable to any Owner, Occupant or any other party for and on account of damage to any landscaping or plantings placed on any easement area or road right-of-way within the Community by any Owner, Occupant or any other party.

Section 3.11 [INTENTIONALLY DELETED.]

ARTICLE 4 CYPRESS VILLAGE MASTER ASSOCIATION

Section 4.1 Membership. As provided in the Articles of Incorporation and Bylaws of the Association, the Owner of each Lot in the Community shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot; provided, however, that if any Lot is owned by more than one person, then the Owner of such Lot shall, by written notice to the Board, designate only one representative to serve as a member of the Association until such time, if at all, as the Mortgagee thereof becomes an Owner by virtue of foreclosure of its Mortgage and title to such encumbered Lot is vested in the Mortgagee pursuant to a duly recorded deed. The transfer or conveyance of fee title to any Lot (other than by a Mortgage as security for the payment of an obligation), shall automatically include the transfer of all membership rights of such Owner in the Association with respect to the Lot transferred and conveyed, notwithstanding any failure of the transferor to transfer to his transferee any certificates, assignments or other evidence of such membership. Membership or the rights and benefits in the Association may not be transferred, assigned, conveyed or otherwise alienated in any manner separately and apart from the ownership of a Lot. Each member of the Association shall at all times comply with the provisions of these Covenants, the Articles of Incorporation, the Bylaws and all rules and regulations that may from time to time be adopted by the Board or the members of the Association.

Section 4.2 Board. The Board shall have the rights and duties set forth in its Articles of Incorporation and the Bylaws, and the members of the Board shall be elected in accordance with the Articles of Incorporation and the Bylaws.

Section 4.3 Voting Rights. Subject to the rights of the Association to suspend any Owner's voting rights or privileges in the Association pursuant to Section 12.1 below, the voting rights of all Owners of Lots within the property shall be as follows:

- (i) Each Owner of an Improved Lot shall be entitled to one vote in any matter submitted to members of the Association for approval. No Owner of a Dwelling or Improved Lot, whether one or more persons, shall have more than one vote. The Owner of each Dwelling or Improved Lot shall be entitled to one vote in any matters submitted to the members of the Association for approval. No Owner, whether one or more persons, shall have more than one membership and one vote per Dwelling or

Improved Lot. Such voting rights shall continue to apply to each Dwelling or Improved Lot upon the addition of any of the Additional Property to these Covenants.

(ii) Each Owner of any Improved Commercial Lot shall have one vote for each 2,000 square feet of Improved Commercial Space. In no event, whether as a result of there being multiple ownership interests in any Dwelling or Improved Lot or otherwise, shall more than one vote be allowed for any one Dwelling or Improved Lot. Fractional voting shall not be permitted.

Section 4.4 Duties and Powers of the Association. In addition to the rights, duties, responsibilities and obligations of the Association otherwise set forth in these Covenants, the Association shall have the power to perform or cause to be performed any of the duties and powers set forth in the Articles of Incorporation and Bylaws. The Association may exercise any other right or privilege granted to it expressly by its Board, these Covenants or Bylaws, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided to the contrary herein in its Articles of Incorporation or in the Bylaws, the powers and authority granted to the Association may be exercised by the Board, acting through the officers of the Association, without further consent or action on the part of the Owners. Nothing herein shall be construed as a restriction of the rights, duties, responsibilities and obligations of the Association set forth in the Articles of Incorporation or the Bylaws.

Section 4.5 Agreements. Subject to the conditions, restrictions and other provisions of these Covenants, all agreements, actions and determinations lawfully authorized by the Board with respect to the Property shall be binding upon all Owners, their heirs, executors, personal representatives, administrators, successors and assigns and all others having any interest in the Property. In performing its responsibilities hereunder, the Association, through the Board, shall have the right and authority to delegate to persons of its choice such duties of the Association hereunder as may be determined by the Board. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of any portion of the Property, whether such personnel are furnished or employed directly by the Association or by independent contract with the Association. During the term of any such management agreement entered into by the Association with a third party, such manager may, if authorized by the Board, exercise all the powers and shall be responsible for the performance of all of the duties of the Association hereunder, excepting any of such powers or duties specifically and exclusively reserved to the Board or the officers of the Association by these Covenants, the Articles of Incorporation or the Bylaws. Such manager may be an individual, corporation or other legal entity and may be bonded in such manner as the Board may require, with the costs of such bond to be a Common Expense. In addition to the foregoing, the Association may pay for and the Board may hire and contract for such legal and accounting services as are necessary or desirable in connection with the operation of the Property, or the enforcement of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association.

Section 4.6 Lot 3; Shared Use Agreement. The Association is a party to that certain Easement, Right to Use and Agreement recorded at Instrument Number 1413923 in the Public Records (the "Shared Use Agreement"), whereby the owners of Lot 3 of the PUD Plat are granted (among other things) an easement for ingress and egress and certain use rights with respect to the private roads in the Community. The terms and conditions of the Shared Use Agreement shall not be vacated, altered, or otherwise affected by these Covenants as amended by this Amendment. Further, Lot 3 shall remain separate from the Property subject to these Covenants and shall in no way become subject to the terms and conditions of these Covenants by the recordation of this Amendment.

Section 4.7 Rules and Regulations. The Board may establish and enforce reasonable rules and regulations governing the use of all Dwellings, Lots and Common Areas, including the enforcement of all of the provisions of these Covenants. Each such rule and regulation shall be binding upon all Owners and Occupants until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board or by the majority vote of the total votes of the Association at any regular or special meeting of the Association.

Section 4.8 Indemnification. The Association shall and does hereby indemnify, defend and agree to hold each and every officer, agent, representative and member of the Board harmless from and against any and all expenses, including court costs and reasonable attorneys' fees, suffered, paid or incurred with any action, suit or other proceedings (including the settlement of any suit or proceedings if approved by the Board) to which such person may be made a party by reason of being or having been an officer, agent, representative or member of the Board. The officers, agents, representatives and members of the Board shall not be liable for any mistake in judgment, negligence or otherwise except for their own willful misconduct or reckless disregard of duty, as finally determined by a court of competent jurisdiction. The officers, agents, representatives and members of the Board shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall and does hereby indemnify, defend and agree to forever hold each such officer, agent, representative and member of the Board harmless from any and all liability to others on account of any such contract or commitment. The indemnification, obligations and rights provided for herein shall not be exclusive of any other rights to which any officer, agent, representative or member of the Board may be entitled, including anything provided to the contrary contained in the Articles of Incorporation or Bylaws. The Association shall (as long as such insurance is available and economically feasible) maintain adequate general liability and officers' and directors' liability insurance in order to fulfill its obligations under this Section 4.8 and the costs of such insurance shall constitute a Common Expense.

ARTICLE 5

DESIGN REVIEW BOARD, DEVELOPMENT AND DESIGN CODE

Section 5.1 Board Composition. The DRB shall consist of not less than three nor more than seven persons, each of whom shall be appointed or elected as provided in Section 5.2, below. The members of the DRB may, but shall not be required to be, members of the Association or Owners of a Lot. The term of office for each member of the DRB shall be three

years (coinciding with the fiscal year of the Association), except as provided in Section 5.2(d) below. Any member appointed or elected as provided in Section 5.2 below may be removed with or without cause in the manner provided in Section 5.2 below. Each Owner, by acceptance of a deed to or other conveyance to a Lot shall be deemed to ratify the provisions of Section 5.2, below.

Section 5.2 Appointment and Removal of DRB Members.

(a) The members of the DRB shall be appointed by the Board.

(b) Any member of the DRB may be removed, with or without cause, by the Board. In the event of death or resignation of a member of the DRB, the Board shall appoint a substitute member of the DRB to fill the vacancy of such deceased or resigning member for the remainder of the term of such former member.

Section 5.3 Procedure and Meetings. The DRB shall elect a chairman and he or she, or in his or her absence, the vice chairman, shall be the presiding officer at all meetings of the DRB. The DRB will meet as necessary as well as upon call of the chairman or vice chairman, and all such meetings shall be held at such places as may be designated by the chairman or vice chairman. A majority of the total number of members of the DRB shall constitute a quorum of the DRB for the transaction of business and the affirmative vote of a majority of those present in person or by proxy at a meeting of the DRB shall constitute the action of the DRB on any matter that comes before it. The DRB is authorized to retain the services of consulting architects, landscape architects, designers, engineers, inspectors and attorneys in order to advise and assist the DRB in performing its functions set forth herein. Each member of the DRB may be paid a stipend or honorarium as may from time to time be determined by the Association, and shall otherwise be entitled to a reimbursement of expenses incurred on behalf of the DRB, subject to the approval of such expenses by the Association. The DRB shall have the right from time to time to adopt and establish such rules and regulations as may be determined to be necessary concerning the procedure, notice of meetings and all other matters concerning the conduct of the business of the DRB.

Section 5.4 Design Code. The DRB is hereby authorized to promulgate and amend or modify from time to time a written Design Code governing policies, guidelines and minimum requirements to be satisfied with respect to the site preparation, construction, location, landscaping and design of all Dwellings and other Improvements on any Lot or Common Areas of the Association, as well as additions, repairs, renovations or changes that may from time to time be made to such Dwellings and/or Improvements, the content and manner in which plans and specifications and other documentation and information concerning the construction of the same are to be submitted to and approved by the DRB, and any other matters affecting the construction, repair or maintenance of the same. The Design Code adopted by the DRB shall be in addition to the provisions and requirements set forth in these Covenants and shall be binding upon and enforceable against all Owners.

Section 5.5 Approval of Plans and Specifications.

(a) TO PRESERVE THE ARCHITECTURAL AND AESTHETIC APPEARANCE AND THE NATURAL SETTING AND BEAUTY OF THE COMMUNITY, TO ESTABLISH AND PRESERVE AN HARMONIOUS DESIGN FOR THE COMMUNITY AND TO PROTECT AND TO PROMOTE THE VALUE OF THE COMMUNITY, THE PROPERTY, THE DWELLINGS, LOTS AND COMMON AREAS AND ALL IMPROVEMENTS THEREON, NO IMPROVEMENTS OF ANY NATURE SHALL BE COMMENCED, ERECTED, INSTALLED, PLACED, MOVED ONTO, ALTERED, REPLACED, RELOCATED, PERMITTED TO REMAIN ON OR MAINTAINED BY ANY OWNER, ON ANY DWELLING, LOT OR COMMON AREA THAT AFFECT ITS EXTERIOR APPEARANCE, UNLESS PLANS AND SPECIFICATIONS THEREFOR HAVE BEEN SUBMITTED TO AND APPROVED BY THE DRB IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.5(b), BELOW. WITHOUT LIMITING THE FOREGOING, THE CONSTRUCTION AND INSTALLATION OF ANY DWELLING, COMMERCIAL BUILDING, SIDEWALK, DRIVEWAY, PARKING LOT, MAILBOX, DECK, PATIO, COURTYARD, SWIMMING POOL, TENNIS COURT, GREENHOUSE, PLAYHOUSE, AWNING, WALL, FENCE, EXTERIOR LIGHT, IRRIGATION SYSTEM, GAZEBO, GUEST OR SERVANT QUARTERS, GARAGE OR ANY OTHER OUTBUILDING SHALL NOT BE UNDERTAKEN, NOR SHALL ANY EXTERIOR ADDITION OR CHANGE OR ALTERATION BE MADE (INCLUDING, WITHOUT LIMITATION, PAINTING OR STAINING OF ANY EXTERIOR SURFACE) TO ANY DWELLING, LOT OR COMMON AREA UNLESS THE PLANS AND SPECIFICATIONS FOR THE SAME HAVE BEEN SUBMITTED TO AND APPROVED BY THE DRB IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.5(b), BELOW.

(b) The DRB is hereby authorized and empowered to approve all plans and specifications and the construction of all Dwellings and other Improvements on any part of the Property including Common Areas. Prior to the commencement of any Dwelling or other Improvement at or on any Lot or Common Area, the Owner thereof (including the Association for Common Areas) shall submit an application to the DRB requesting the DRB to review plans and specification and related data for all such Improvements, as more particularly provided in the Design Code.

(c) The DRB shall, in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. One copy of all plans, specifications and related data so submitted to the DRB shall be retained in the records of the DRB and the other copy shall be returned to the Owner submitting the same marked "approved," "conditionally approved" or "disapproved." The DRB shall establish a fee to be charged to and paid by each Owner (except the Association) who submits plans and specifications to the DRB for approval, which fee shall be sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained to approve such plans and specifications and to monitor and otherwise enforce the terms hereof. Notwithstanding anything provided herein to the contrary, an Owner may make interior improvements and alterations within his Dwelling, Lot or Commercial Building that do not affect exterior appearance and without the necessity or requirement that DRB approval or consent be obtained.

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

(e) If the DRB fails to approve, or approve as noted, in writing any such proposed plans and specifications within sixty days after such plans and specifications have been submitted, then the plans and specifications so submitted will be deemed to have been disapproved.

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

Section 5.6 Landscaping Approval. In order to preserve, to the extent practicable, the natural landscaping and plant life currently situated on the Property and to enhance the aesthetic appearance of the Property, no landscaping (including the removal or planting of trees, lawns or shrubbery), grading, excavation or fill work of any nature shall be implemented or installed by any Owner on any Lot or Common Area unless and until landscaping plans therefor have been submitted to and approved by the DRB. The provisions of Section 5.5, above, regarding the method of submitting such plans to the DRB, the time for approval or disapproval of the same and the method of approving modifications or changes thereto shall be applicable to such landscaping plans.

Section 5.7 Construction Without Approval. If (a) any Improvements are initiated, installed, maintained, altered, replaced or relocated on any Lot or Common Area without DRB approval of the plans and specifications for the same, or (b) the DRB shall determine that any approved plans and specifications for any Improvements or the approved landscaping plans for any Lot or Common Area are not being complied with, then, in either event, the Owner of such Lot or Common Area shall be deemed to have violated these Covenants and the DRB shall have the right to exercise any of the rights and remedies set forth in Section 5.13, below.

Section 5.8 Inspection. The DRB or any agent, employee or representative thereof may at any reasonable time and from time to time enter upon and inspect any Lot or Common Area or any Improvements being constructed thereon in order to determine whether the approved

plans and specifications therefor are being complied with. Any such entry shall not be deemed to be a trespass or any other wrongful act by the DRB.

Section 5.9 Limitation of Liability. Notwithstanding anything provided herein to the contrary, the Association, the DRB, nor any agent, employee, representative, member, shareholder, partner, joint venturer, officer or director thereof, shall have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any plans and specifications submitted, reviewed or approved in accordance with the provisions of this Article 5, (b) any defects, structural or otherwise, in any work done according to such plans and specifications, (c) the failure of any plans, specifications or construction to comply with the applicable federal, state or local laws and regulations including building codes and environmental requirements, (d) the failure to approve or the disapproval of any plans, drawings, specifications or other data submitted by any Owner for approval pursuant to the provisions of this Article 5, (e) the construction or performance of any work related to such plans, drawings and specifications, (f) bodily injuries (including death) to any Owner, Occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or Occupant, or any damage to any Dwelling, or Improvement or the personal Property of any Owner or Occupant, or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or Occupant, that may be caused by, or arise as a result of any defect, structural or otherwise, in any Dwelling, or Improvement or the plans and specifications therefor or any past, present or future soil or subsurface conditions, known or unknown (including, without limitation, geological formations or conditions on or under any Dwelling, or Improvement), and (g) any other loss, claim, damage, liability or expense, including court costs and attorneys' fees, suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Lot, Dwelling or any Improvements situated thereon.

Section 5.10 [INTENTIONALLY DELETED.]

Section 5.11 Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in these Covenants to the contrary, all Builders shall have the right and option to maintain such facilities and carry on such activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots and Dwellings, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model Dwellings, all as may be approved by the Board from time to time. The right to maintain and carry on such facilities and activities shall include, without limitation, the right to use Dwellings as model residences and as offices for the sale of Lots or Dwellings for any related activities.

Section 5.12 Enforcement and Remedies. If any of the provisions of this Article 5 are breached or are not otherwise being complied with in all respects by any Owner or Occupant or the respective family members, guests, invitees, agents, employees or contractors of any Owner or Occupant, then the DRB and the Association shall each have the right, but not the obligation, at their option to (a) enjoin any further construction on any Lot, Dwelling or other Improvement and require the removal or correction of any work in place that does not comply with the plans and specifications approved by the DRB for such Improvements or (b) through their designated

agents, employees, representatives and independent contractors, enter upon such construction site and take all action necessary to extinguish such violation or breach and to minimize or remediate erosion caused by such violation or breach, including, but not limited to delays in construction or inadequate erosion control procedures. All costs and expenses incurred by the DRB or the Association in enforcing any of the provisions of this Article 5, including, without limitation, attorneys' fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of nonconforming work, the completion of uncompleted work or in any judicial proceeding, together with any other costs or expenses incurred by the DRB or the Association in causing any Owner or such Owner's contractors, agents or invitees to comply with the terms and provisions of this Article 5, shall be paid by such Owner, shall constitute an individual Assessment to such Owner pursuant to Section 8.6 below and, if the same is not paid when due, shall be subject to the lien provided for in Section 8.10 below and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the right and remedies of the DRB and the Association set forth herein shall not be deemed exclusive of any other rights and remedies that the DRB or the Association may exercise at law or in equity or any of the enforcement rights specified in Section 7.35 and Article 12 hereafter.

Section 5.13 Compliance Certification. The DRB or any authorized representative thereof shall, upon request and at such reasonable charges as may from time to time be adopted by the Board, furnish to an Owner a certificate in writing setting forth whether all necessary DRB approvals have been obtained and whether any Lot, Dwelling or other Improvement has been constructed in accordance with the provisions of these Covenants. Any such approval shall not be construed in any respect as a representation or warranty of the DRB or the Association that all applicable rules, regulations and requirements of all Governmental Authorities with respect to any such Lot, Dwelling or other Improvement have been fulfilled.

ARTICLE 6 CYPRESS VILLAGE SUB-ASSOCIATIONS

Section 6.1 Separate Associations. Sub-Associations may be formed from time to time to enact additional restrictions, duties, and obligations for their respective members and may assume additional duties and obligations with respect to Limited Common Area reserved for use by the Owners within areas of the Property that are subject to such Sub-Association. Membership in a Sub-Association shall in no way limit an Owner's responsibilities, rights, and duties with respect to the Association.

Section 6.2 [INTENTIONALLY DELETED.]

Section 6.3 Board. The Board of each Sub-Association shall have the rights and duties set forth in its Articles of Incorporation and Bylaws, and the members of the Board of a Sub-Association shall be elected in accordance with the Articles of Incorporation of such Sub-Association and the Bylaws of such Sub-Association.

Section 6.4 Voting Rights. The Owner of each Lot shall be entitled to one vote in any matter submitted to the members of that Sub-Association for approval. No Owner, whether one

or more persons, shall have more than one membership and one vote per Lot. In no event, whether as a result of there being multiple ownership interests in any Lot or otherwise, shall more than one vote be allowed for any one Lot. Fractional voting shall not be permitted.

Section 6.5 Duties and Powers of Sub-Associations. The Sub-Associations may own, improve, maintain, and make assessments pertaining to any Limited Common Area that may be deeded, leased, or otherwise subjected to the control of the Sub-Associations. In addition to the rights, duties, responsibilities and obligations of the Sub-Associations otherwise set forth in these Covenants, the Sub-Associations shall have the power to perform or cause to be performed any of the duties and powers set forth in the Articles of Incorporation and the Bylaws. A Sub-Association may exercise any other right or privilege granted to it expressly by the Board, these Covenants or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided to the contrary herein, in the Articles of Incorporation or in the Bylaws, the powers and authority granted to a Sub-Association may be exercised by its Board, acting through the officers of the Sub-Association, without further consent or action on the part of the Owners. Nothing herein shall be construed as a restriction of the rights, duties, responsibilities and obligations of a Sub-Association set forth in its Articles of Incorporation or Bylaws.

Section 6.6 Agreements. Subject to the conditions, restrictions and other provisions of these Covenants, all agreements, actions and determinations lawfully authorized by the Board with respect to the Property shall be binding upon all Owners, their heirs, executors, personal representatives, administrators, successors and assigns and all others having any interest in the Property. In performing its responsibilities hereunder, a Sub-Association, through its Board, shall have the right and authority to delegate to persons of its choice such duties of the Sub-Association hereunder as may be determined by its Board. In furtherance of the foregoing and not in limitation thereof, the Sub-Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Sub-Association shall deem necessary or desirable for the proper operation of any portion of the Property, whether such personnel are furnished or employed directly by the Association or by independent contract with the Sub-Association. During the term of any such management agreement entered into by a Sub-Association with a third Party, such manager may, if authorized by the Board, exercise all the powers and shall be responsible for the performance of all of the duties of the Sub-Association hereunder, excepting any of such powers or duties specifically and exclusively reserved to the Board or the officers of the Sub-Association by these Covenants, its Articles of Incorporation or Bylaws. Such manager may be an individual, corporation or other legal entity and may be bonded in such manner as the Board may require, with the costs of such bond to be a Common Expense. In addition to the foregoing, the Sub-Association may pay for and the Board may hire and contract for such legal and accounting services as are necessary or desirable in connection with the operation of the Property, or the enforcement of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations of that Sub-Association.

Section 6.7 [INTENTIONALLY DELETED.]

Section 6.8 Rules and Regulations. Subject to the prior written approval of the Board, which may be withheld in the sole discretion of the Board, the Board of a Sub-Association may establish and enforce reasonable rules and regulations governing the use of all Common Areas owned or managed by that Sub-Association. Each such rule and regulation shall be binding upon all Owners and Occupants until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board of the Sub-Association, the Board, or by the majority vote of the total votes of the Sub-Association at any regular or special meeting of such Sub-Association.

Section 6.9 Indemnification. The Sub-Associations shall and do hereby indemnify, defend and agree to hold each and every officer, agent, representative and member of their respective Boards harmless from and against any and all expenses, including court costs and reasonable attorney's fees, suffered, paid or incurred with any action, suit or other proceedings (including the settlement of any suit or proceedings if approved by the Board) to which such person may be made a party by reason of being or having been an officer, agent, representative or member of the Sub-Association Board. The officers, agents, representatives and members of the Sub-Association Board shall not be liable for any mistake in judgment, negligence or otherwise except for their own willful misconduct or reckless disregard of duty, as finally determined by a court of competent jurisdiction. The officers, agents, representatives and members of the Sub-Association Board shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of such Sub-Association and such Sub-Association shall and does hereby indemnify, defend and agree to forever hold each such officer, agent, representative and member of its respective Sub-Association Board harmless from any and all liability to others on account of any such contract or commitment. The indemnification, obligations and rights provided for herein shall not be exclusive of any other rights to which any officer, agent, representative or member of the Sub-Association Board may be entitled, including anything provided to the contrary contained in the Articles of Incorporation or the Bylaws for such Sub-Association. The Sub-Associations shall (as long as such insurance is available and economically feasible) maintain adequate and general liability and officers' and directors' liability insurance in order to fulfill its obligations under this Section 6.9 and the costs of such insurance shall constitute a Common Expense of each respective Sub-Association.

Section 6.10 Assessments by a Sub-Association. A Sub-Association that may be established from time to time in accordance with the terms and conditions herein shall have those rights of assessments, enforcement and insurance powers as to Limited Common Areas granted to the Association in Articles 9, 10 and 12 hereafter, or as is granted to such Sub-Association by the Articles of Incorporation or Bylaws of said Sub-Association.

ARTICLE 7 USE AND DEVELOPMENT RESTRICTIONS AS TO LOTS AND DWELLINGS

Section 7.1 Use Restrictions. In addition to those use restrictions set forth herein, all Lots shall be subject to any additional use restrictions as set forth on the PUD Plat (less and except Lot 3), and the Courtyard Cottages Lots shall be further subject to any use restrictions set

forth on the Courtyard Cottages Plat. The use of any portion of a Dwelling as an office by an Owner shall not be considered a violation of this covenant provided such use does not create regular customer, client or employee traffic, and further provided any such use is in compliance with all applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof. The leasing or rental of a Dwelling for residential purposes only shall not be considered a violation of this covenant so long as the lease (a) is for not less than the entire Dwelling, and (b) is otherwise in compliance with the rules and regulations promulgated and published from time to time by the Association. Notwithstanding anything provided in this Section 6.1 to the contrary, the Property or any portion thereof: including, specifically, any Lots or Dwellings constituting any portion of the Property, may be used and developed for (i) any of the uses included in the definition of Common Areas and (ii) any uses permitted under applicable zoning ordinances affecting the Property; provided, however, that if any portion of the Property is to be developed or used for any purpose other than Common Areas or residential purposes, then such use must be approved in writing by the DRB.

Section 7.2 [INTENTIONALLY DELETED.]

Section 7.3 Underground Utilities. All utility lines, pipes, conduits and wiring for electrical, gas, telephone, water, sewer, cable television, security and any other utility service for any portion of the Property shall be installed and maintained below ground.

Section 7.4 Irrigation Systems. All irrigation systems for Lots must be approved by the DRB in the manner set forth in Article 5, above.

Section 7.5 Building setbacks.

(a) Subject to the provisions of Section 7.6, below, minimum building setback lines for all Dwellings shall be in accordance with the requirements of the City of Orange Beach, Alabama.

(b) No Dwellings shall be built within the setback areas established in accordance with any of the procedures specified in Section 7.5(a), above.

Section 7.6 Siting of Dwelling. Prior to commencing any construction related activities on any Lot (including any grading or clearing), the location of any Dwelling to be constructed thereon shall be set forth on the site development plan for such Lot that must be approved by the DRB.

Section 7.7 Trees. No Owner shall cut, remove or mutilate any tree, shrub, bush or other vegetation located on any Lot prior to any construction or clearing activity on such Lot, without first obtaining the approval of the DRB; provided, however, that the foregoing shall not be deemed to release any Owner from the provisions of Sections 7.9 and 8.1, below.

Section 7.8 Height Limitations. The DRB may establish restrictions regarding the maximum height of Dwellings.

Section 7.9 Landscaping. The following landscaping restrictions shall apply to each Lot and Dwelling:

(a) The landscaping plan for each Lot shall be submitted to the DRB for approval pursuant to the provisions of Section 5.6, above. Each Owner shall take such steps that would, to the extent practicable, preserve the existing trees on such Lot.

(b) All front, rear and side yards of each Lot shall be sodded areas, unless the same are landscaped with shrubbery or other approved plant life as approved by the DRB.

(c) Subject to weather and seasonal conditions, all landscaping for a Lot shall be completed in accordance with the landscaping plan approved by the DRB not later than sixty days following the earlier of (i) the issuance of the certificate of occupancy for the dwelling situated thereon; or (ii) occupancy by the owner.

(d) No hedge or shrubbery planting that obstructs sight-lines of streets and roadways shall be placed or permitted to remain at, on or about any Lot where such hedge or shrubbery interferes with traffic sight-lines for roadways within the Property. The determination of whether any such obstruction exists shall be made by the DRB, whose determination shall be final, conclusive and binding on all Owners.

(e) No rocks, boulders or other materials shall be placed on any Lot as a front, rear or side yard border or for the purpose of preventing vehicles from parking on or pedestrians from walking on any portion of such Lot or to otherwise impede or limit access to the same. No bird baths, fountains, reflectors, flag poles, statues, lawn sculptures, lawn furnishings, artificial plants, rock gardens, rock walls, bird houses or other fixtures and accessories shall be placed or installed within the front, rear or side yards of any Lot without the prior written approval of the DRB.

(f) No vegetable, herb or similar gardens or plants shall be planted or maintained in the front, rear or side yards of any Residential Lot.

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

(h) Lawn grass shall not be allowed to grow to a height in excess of six inches, measured from the surface of the ground. Should the Association contract a third party for grass cutting or landscape maintenance, then the lawns or other landscaping in question shall be maintained as provided in such contract.

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

Section 7.10 Roofing. The following roofing restrictions shall apply to all Lots and Dwellings:

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

(b) No solar or other energy collection panel, equipment or device shall be installed or maintained on any Lot unless previously approved by the DRB.

(c) No plumbing or heating vents, stacks and other projections of any nature shall be placed on the roof on the front of a Dwelling. All such vents, stacks and any other projections from the roof of any Dwelling shall be located on the rear roof of such Dwelling and shall (i) be painted the same color as the roofing material used for such Dwelling and (ii) to the extent practicable, not be visible from any street.

Section 7.11 Exterior Lighting. All exterior lighting for Dwellings, including, without limitation, free standing lighting and utility lights attached to a Dwelling (for example, floodlights), must be approved by the DRB.

Section 7.12 Exterior Materials and Finishes. The following exterior materials and finishes restrictions shall apply to all Lots and Dwellings:

(a) Approved exterior building material finishes for any Dwelling shall include brick, stucco, solid wood siding (for example, cypress or other solid wood), and, to the extent permitted by the DRB, such other materials as may be approved by the DRB. All wood surfaces utilized on the exterior of any Dwelling shall be painted or stained. Prohibited exterior finish materials shall include particle board, plywood, vinyl or any other type of pressed, laminated or fabricated siding, vertical siding, simulated brick or stone and any other materials as the DRB may from time to time determine.

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

(c) Steps, staircases and stairwells must be of materials approved in writing by the DRB.

(d) No concrete, concrete block or cinder block shall be used as an exposed building surface; any concrete, concrete block or cinder block utilized in the construction of a Dwelling or for retaining walls and foundations shall be finished in the same materials that are utilized for the remainder of the Dwelling (for example, wood and stucco).

(e) Metal flashing, valleys, vents and gutters installed on a Dwelling shall be painted to blend with the color of the exterior materials to which it is adhered or installed as the DRB, from time to time, may determine.

Section 7.13 Chimneys. The exterior surfaces of all chimneys shall be constructed of stucco or such other materials as the DRB may approve from time to time. If a fireplace utilizes a metal spark arrestor or other metal venting apparatus at the top of the chimney, then a painted metal cowling or surround shall be installed on top of the chimney. All metal or other materials placed on top of or around a chimney shall be painted to blend with the color of the roofing material used for such Dwelling as the DRB, from time to time, may determine.

Section 7.14 Garages and Parking. The following garage and parking restrictions shall apply to all Residential Lots:

(a) Garage doors shall be constructed of such materials as are approved by the DRB. Garage doors shall be kept closed at all times except when in use. No garage shall be converted to any use other than for the parking of vehicles therein without the approval of the DRB.

(b) All automobiles or other passenger vehicles owned or used by an Owner or Occupant of any Dwelling and their respective family members shall be parked in garages to the extent garage space is available. Garages shall not be used for storage or for any other purposes or uses that would result in the garage being unavailable for the parking of vehicles therein. Vehicles may be parked on Owner's drive adjacent to such Owner's garage.

(c) Each Dwelling shall provide for adequate off street parking for two full-sized automobiles (that is, parking areas located solely within the property lines of such Dwelling). Vehicles shall be parked only in driveways constructed in accordance with the provisions of Section 7.20, below, or in garages constructed in accordance with the provisions of this Section. Vehicles shall not be parked on any landscaped or natural areas of a Dwelling.

Section 7.15 Fences. No chain link, vinyl coated or wire fences shall be permitted within the Property except with regard to maintenance areas within the Common Areas. No fences of any kind shall be allowed unless prior written approval for such a fence is obtained from the DRB. Electric fences shall not be permitted under any circumstances. The types of materials utilized for (including the color thereof), and the location and construction design of, all fences must be approved by the DRB.

Section 7.16 Windows, Window Treatments and Doors. The following window, window treatment and door restrictions shall apply to all Lots and Dwellings:

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

(b) The material and design of windows shall be as determined by the DRB. Cantilevered bay windows must be approved in writing by the DRB (and the DRB may require additional landscaping in front of such bay windows). Burglar bars or wrought iron doors shall not be permitted.

(c) All window, window shade and window trim colors must be approved by the DRB.

Section 7.17 Mailboxes. The design, location, height and setback of mailboxes must be approved in writing by the DRB.

Section 7.18 Utility Meters and HVAC Equipment. The following utility meter and HVAC equipment restrictions shall apply to all Lots and Dwellings. The location, landscaping and screening all electrical, gas, telephone and cable television meters, all exterior heating, ventilating and air conditioning compressor units and equipment shall be as required in the Design Code or as otherwise agreed to by the DRB. No window-mounted heating or air conditioning units or window fans shall be permitted.

Section 7.19 [INTENTIONALLY DELETED.]

Section 7.20 Driveways and Sidewalks. The following driveway and sidewalk restrictions shall apply to all Lots:

(a) The location of all driveways and sidewalks must be approved by the DRB.

(b) All driveways and sidewalks for each Lot shall be constructed of concrete. Other materials may be used but only if approved by the DRB.

Section 7.21 Outdoor Furniture, Recreational Facilities and Clotheslines. The following outdoor furniture, recreational facility and clothesline restrictions shall apply to all Residential Lots:

(a) No furniture shall be placed, kept, installed, maintained or located in or on the front or side yards or, areas of a Lot without prior approval from the DRB. Any furniture placed, kept, installed, maintained or located at the rear of or behind a Dwelling shall, to the greatest extent practicable, be located that the same shall not be visible from any street or roadway.

(b) No lumber, metals or bulk materials shall be kept or stored or accumulated on a Lot except building materials during the construction of Improvements with respect to that Lot.

(c) Children's toys, swing sets, jungle gyms, trampolines and other outdoor and recreational equipment and appurtenances shall be allowed only at the rear or behind a Dwelling and shall, to the extent practicable, be located so that the same are not visible from any street.

(d) Free-standing playhouses and tree houses shall not be permitted.

(e) Basketball backboards shall be located so as not to be visible from any street and shall otherwise be placed in a location approved by the DRB.

(f) Outside clotheslines or other outside facilities for drying or airing clothes shall be prohibited. No clothing, rugs or other items shall be hung, placed or allowed to remain on any railing, fence or wall.

(g) Barbecue grills or other types of outdoor cooking equipment and apparatus shall be located only at the rear of any Dwelling and, to the extent practicable, shall not be visible from any street or roadways.

(h) Bird feeders, wood carvings, plaques and other types of home crafts shall not be permitted in the front or side yards of any Lot nor shall any of the foregoing items be attached to the front or side of any Dwelling. All bird feeders, wood carvings, plaques and other types of home crafts shall be located only at the rear of a Dwelling and shall not be visible from any street.

Section 7.22 Pets and Animals. The following pet and animal restrictions shall apply to all Lots and Dwellings. No animals, livestock, birds or poultry of any kind shall be kept, raised or bred by any Owner in or upon any Lot; provided, however, that no more than two domesticated animals, except in the case of any new-born litter of any such animal, may be kept in a Dwelling so long as they are not kept for breeding or commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or become a nuisance. All pets must be housed and maintained within the interior of a Dwelling. No structure or area for the care, housing or confinement of any pet shall be constructed or maintained outside of the interior of a Dwelling. Dogs shall not be allowed out of doors unattended within the Community; all dogs shall be kept and maintained within a Dwelling, as approved by the DRB, or otherwise under leash. Pets shall not be permitted to leave excrement on the Lot of any other Owner or within any street or any portion of the Common Areas and the Owner of such pet shall immediately remove the same. Each Owner shall be liable to the applicable Sub-Association for the cost of repairing any damage or cleaning up any waste upon its Common Areas caused by the pet of such Owner or Occupant. The Board shall have the right from time to time to promulgate rules and regulations governing keeping the pets within the Community, including the right to assess fines for violations of such rules and regulations.

Section 7.23 Trash, Rubbish and Nuisances. The following trash, rubbish and nuisance restrictions shall apply to all Lots and Dwellings:

(a) No trash, garbage, rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property nor shall any nuisance or odors be permitted to exist or operate upon or arise from any Lot that would render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using, occupying or owning any other Lots or Dwellings. Noxious or offensive activities shall not be carried on in or from any Lot or in any part of the Common Areas, and each Owner and Occupant shall refrain from any act or use of a Lot that could cause disorderly, unsightly or unkempt conditions, result in the cancellation of or increase in insurance coverage or premiums for any portion of the Property or be in violation of any law, statute, ordinance, rule, regulation or requirement of any Governmental Authority. Without limiting the generality of the foregoing, no horns, whistles, bells, speakers or other sound devices, other than reasonable security and fire alarm devices used exclusively for such

purposes, shall be located, used or placed upon any Lot; provided, however, that the foregoing shall not apply to the reasonable use of any of the foregoing devices within any recreational areas of the Common Areas. Any Owner or Occupant or any of the respective family members, guests, invitees, servants, agents, employees or contractors of such Owner or Occupant who dumps, places or allows trash or debris to accumulate on his or her Lot, Dwelling, or on any other portion of the Property shall be liable to the Association for all costs incurred by the Association to remove the same. The Board shall have the right from time to time to promulgate rules and regulations governing keeping the disposal of trash, garbage, rubbish or debris within the Community, including the right to assess fines for violations of such rules and regulations.

(b) Trash, garbage and any other refuse or waste shall not be kept on any Lot except in sanitary containers or garbage compactor units. Trash cans and containers shall at all times be kept at the rear of or inside a Dwelling and shall be screened from view from streets and adjacent Lots and Dwellings by appropriate landscaping or fencing approved by the DRB. All such trash cans and containers shall be of a color, size and design approved by the DRB.

(c) Except as otherwise provided in Section 7.28(a), below, no outdoor burning of trash, garbage, leaves, wood, shrubbery or other materials shall be permitted on any Lot or other portion of the Property.

(d) Security and fire alarm devices used exclusively for such purposes shall be allowed only if the Owner or Occupant can demonstrate that procedures are in place to shut off such devices within thirty (30) minutes or less whether or not the Owner or Occupant is at the Dwelling.

(e) No Owner or Occupant shall or shall allow their respective agents, employees or invitees to operate lawnmowers, leaf blowers or other such equipment on a Lot on Sundays.

Section 7.24 Recreational Vehicles, Machinery and Equipment. The following recreational vehicle, machinery and equipment restrictions shall apply to all Residential Lots:

(a) Mobile homes, motor homes, trailers of any kind, campers, vans, motorcycles, bicycles, motorized carts and all-terrain vehicles, lawnmowers, tractors, tools, construction machinery and equipment of any nature, golf carts, boats and any other type of watercraft, including boat trailers, and any other similar types of vehicles, machinery or equipment shall not be permitted, stored or allowed to remain on any Lot unless the same are placed, stored and maintained within a garage, with roofing and doors, on such Lot. Any such enclosed structure must be approved by the DRB. The Common Areas shall not, unless expressly permitted by the Association, be utilized for the parking or storage of any of the foregoing vehicles, recreational vehicles, machinery or equipment.

(b) Any vehicle that is inoperable shall be immediately removed from the Community. No Owner or Occupant shall repair or restore any vehicle, machinery or equipment of any kind upon or within any Lot or within any portion of the Common Areas, except (i) within enclosed garages or (ii) for emergency repairs and then only to the extent

necessary to enable the immediate movement thereof to a proper repair facility located outside of the Property.

(c) The Board shall have the right at any time and from time to time to adopt rules and regulations with respect to the keeping, storage, parking, operation, use or maintenance of mobile homes, tractors, equipment, machinery, trailers (with or without wheels), motor homes, trucks (other than pick-up trucks), commercial vehicles of any type, campers, motorized campers or trailers, boats or other watercraft, boat trailers, motorcycles, motorized bicycles, all-terrain vehicles, motorized go carts and other forms of transportation.

Section 7.25 Signage. Except for signs advertising the sale of a Lot as set forth in Section 7.28(c) below, no signs, graphics or advertising posters of any kind shall be maintained or permitted within any windows or on the exterior of any Lot or elsewhere on any portion of the Property (including Common Areas) without the express written permission of the DRB and except as permitted by applicable rules, regulations and ordinances of any Governmental Authority having jurisdiction thereof. The DRB may promulgate rules, regulations and standards for the use and design of any sign or graphics to be posted within the Property, including, but not limited to, name and address signs and the signs referred to in Section 7.28(c). Notwithstanding the foregoing, (a) the restrictions set forth in this Section 7.25 shall not be applicable to any signs or graphics erected pursuant to Section 7.28(c), below, and (b) the Association shall have the right, but not the obligation (subject to the approval of the DRB), to erect and maintain reasonable and appropriate signs on any portions of the Common Areas and within those easement areas established in Section 3.7, above.

Section 7.26 Tanks and Wells. No exposed pumps or underground storage tanks for the storage of fuel, water or any other substances shall be located on any Lot or within any of the Common Areas.

Section 7.27 Temporary Structures. No temporary house, trailer, shack, tent, barn, shed, stable, poultry house or yard, rabbit hut, tree house or other outbuilding or structure of any kind shall be permitted, constructed, installed or allowed to remain on any Lot; provided, however, that the foregoing shall not be deemed to prohibit (a) temporary structures for social functions as may be permitted by the rules and regulations of the Board, or (b) any detached garages or other structures that are approved in writing by the DRB.

Section 7.28 Construction of Improvements. The following construction of improvements restrictions shall apply to all Lots and Dwellings:

(a) During the construction of any Improvements or Dwellings, (i) all Lots and Dwellings shall be maintained in a clean condition, free of debris and waste material, (ii) all unused construction materials shall be stored, to the extent practicable, out of view from any street and (iii) all construction trash, debris and rubbish shall be placed in a dumpster or other container designed for such purposes and shall be properly disposed of outside the Property at least weekly. In no event, however, shall any used construction materials be buried on or beneath any Lot or any other portion of the Community. No Owner shall allow red clay, dirt, sand, mud, gravel or other substances to collect or remain on any street. Each Owner and each Owner's contractor,

subcontractors, laborers and suppliers shall cause all such dirt, sand, mud, gravel and other substances to be removed from the treads and wheels of all vehicles used in or related to the construction of Improvements on a Lot prior to such vehicles traveling on any streets within the Community.

(b) During the construction of any Improvements or Dwellings, construction equipment and the vehicles of all contractors, subcontractors, laborers, materialmen and suppliers shall (i) utilize off-street parking only, (ii) enter the Lot on which such Improvements are being constructed from the driveway for such Lot, and (iii) not damage trees or other vegetation or sidewalks, curbs or road surfaces, on or adjacent to such Lot that, pursuant to the provisions of Section 7.7, above, are to be preserved.

(c) During the construction of a Dwelling, up to two signs may be posted on a Lot at a height not to exceed four feet from ground level, advertising the Lot or the Dwelling thereon for sale and containing information identifying the Builder of such Dwelling. No other signage, banners, flags or advertising posters shall be allowed without obtaining DRB approval.

(d) No construction trucks, equipment or machinery, including any trailers used for the transportation of construction equipment or machinery, shall be parked overnight on any streets or roads within the Property. Upon completion of construction of any Improvements or Dwelling, all construction machinery, tools and equipment, all unused construction materials and all trash, debris and rubbish shall be immediately removed from the Lot and such Lot shall be kept and maintained in a clean and uncluttered condition.

(e) Construction activities shall be allowed on any Lot or at any Dwelling only during the hours of 7:00 a.m. through 6:00 p.m. (local time) on Monday through Friday and 8:00 a.m. through 3:00 p.m. (local time) on Saturdays, unless prior approval for deviation from those times is obtained from the DRB. No construction activities on Lots or Dwellings shall be allowed on Sundays.

(f) All Dwellings and any other Improvements shall be constructed in compliance with the Design Code; all applicable federal, state county and local laws, ordinances, rules, regulations; and zoning and building code requirements. Each Owner shall be solely responsible for obtaining from the appropriate Governmental Authorities all necessary permits and licenses and otherwise paying all required fees for the construction of any Improvements on such Owner's Lot. Each Owner shall also be responsible for strict compliance with the Design Code and all applicable watershed protection, soil erosion, endangered species protection and other governmental requirements, both during and after completion of construction of any Improvements on such Owner's Lot.

(g) Any contractor, subcontractor, or materialman participating in the construction of Improvements to Lots will be liable to the Association and any applicable Sub-Association or other Lot Owners for any damage to property or person incurred during the course of such construction.

Section 7.29 Subdivision and Interval Ownership. No Lot may be subdivided or resubdivided without the prior written approval of the DRB. No Lot shall be sold or owned under any timesharing, time interval or similar right-to-use programs.

Section 7.30 Swimming Pools. The following swimming pool restrictions shall apply to all Lots. Swimming pools, outdoor hot tubs and whirlpools may be constructed, installed and maintained on any Lot subject to the prior written approval of the plans for the same by the DRB and the restrictions contained herein. The DRB shall have the right to adopt further rules and regulations governing the construction of swimming pools and other outdoor water features or amenities within the Property, including the prohibition of same.

Section 7.31 Traffic Regulations. The following traffic regulation restrictions shall apply to all Lots:

(a) All vehicular traffic on the private streets and roads in the Community shall be subject to the applicable provisions of the laws of the State of Alabama and any other city or county having jurisdiction thereof concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including adopting reasonable safety measures and speed limits for any of the private roads within any portion of the Community. The Association shall be entitled to enforce such rules and regulations by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. In the event of any conflict between the provisions of the laws of the State of Alabama and the traffic rules and regulations promulgated by the Association, the more restrictive shall govern. All private streets and roads in the Community are also subject to all rights of the Association to upgrade and improve any intersection, street or highway, as set forth in Section 3.1(b), above.

(b) Only drivers licensed to operate motor vehicles by the State of Alabama or by any other state in the United States may operate any type of motor vehicle within the Community. All vehicles of any kind and nature that are operated on the streets in the Community shall be operated in a careful, prudent, safe and quiet manner, and with due consideration for the rights of all residents of the Community.

Section 7.32 Compliance with Governmental Regulations. Each Owner and Occupant shall at all times comply with all applicable laws, ordinances, statutes, rules, regulations, requirements and code provisions of the Governmental Authorities.

Section 7.33 Additional Regulations. In addition to the restrictions set forth in these Covenants, (i) the DRB shall have the right, in its sole discretion, from time to time and at any time to adopt, modify and amend the Design Code to impose other, further or different requirements or restrictions, which requirements or restrictions shall be binding on all Owners, Lots and Dwellings, including the adoption of additional or more specific requirements and restrictions governing the improvement and use of any Lot, and (ii) the Association shall have the right from time to time and at any time to adopt, modify and amend such rules and regulations as the Association, in its sole discretion, determines to be in the best interests of all

Owners, which rules and regulations shall be binding on all Owners, Lots and Dwellings from the date of such amendment.

Section 7.34 Variances. The DRB, in its sole and absolute discretion, shall have the exclusive right to grant variances and exceptions with respect to the provisions of Article 6, above, and this Article 7 with respect to any Lot or Dwelling. Any request for a variance or exception submitted to the DRB shall be in writing and, upon approval of the same by the DRB, shall be evidenced by a written document executed by either the chairman or vice chairman of the DRB. The provisions of Section 6.3, above, concerning meetings, a quorum of members and the number of votes necessary to approve action taken by the DRB shall be binding upon the DRB in any matters regarding the granting of variances.

Section 7.35 Enforcement and Remedies. If any of the provisions of this Article 7 are breached or are not otherwise being complied with in all aspects by any Owner or Occupant or the respective family members, guests, invitees, agents, employees or contractors of any Owner or Occupant, then the Association or the DRB shall each have the right, but not the obligation, at its option, (a) to enjoin such violation or noncompliance or (b) through their designated agents, employees, representatives and independent contractors, to enter upon such Lot and take all action necessary to extinguish or correct such violation or breach. All costs and expenses incurred by the DRB or the Association in enforcing any of the provisions of this Article 7, including, without limitation, attorney's fees, court costs, costs and expenses of witnesses, engineers, architects, designers, land planners and any other persons involved in the correction of any noncompliance or the removal of such violation or in any judicial proceeding, together with any other costs or expenses incurred by the DRB or the Association in connection therewith, shall be paid by such Owner who has violated or breached any of the provisions of this Article 7, shall constitute an individual Assessment to such Owner pursuant to Section 9.6, below, and, if the same is not paid when due, shall be subject to the lien provided for in Section 9.9, below, and be subject to foreclosure as provided for therein. Notwithstanding anything provided herein to the contrary, the rights and remedies of the DRB and the Association set forth herein shall not be deemed exclusive of any other rights and remedies that the DRB or the Association may exercise at law or in equity or any of the enforcement rights specified in this Section 7.35 and Article 12, below. The Association or the DRB, at their option and in their discretion, may delegate to the Association any of their respective enforcement rights set forth in these Covenants.

Section 7.36 Development Restrictions as to Commercial Lots. No improvements shall be made to any Commercial Lot unless a development plan for such improvement shall have been submitted to the DRB by the owner or developer of such Lot and approved by the DRB in the same manner set forth in Article 5, above. The development plan for such Commercial Lot shall include the following:

- (a) The legal description of the Commercial Lot.
- (b) A vicinity sketch.
- (c) North arrow.

- (d) The scale and date.
- (e) A site plan drawn to scale, showing all property lines including proposed property lines.
- (f) The name of engineering firm that has prepared the development plan.
- (g) All existing structures, buildings, sheds, signs and fences.
- (h) All proposed structures including location of identification signs.
- (i) Setback dimensions from all property lines.
- (j) All existing and proposed easements, public and private.
- (k) All existing and proposed water and sewer lines, including meter and manhole locations.
- (l) Existing and proposed fire hydrants in the immediate area with distance to building by way of vehicle access.
- (m) Existing or proposed driveway access to public or private streets, including width of drive and curb radius and curb cuts into public or private streets.
- (n) Proposed surface material for parking and driveways.
- (o) Overall street system surrounding the project. This includes existing curb cuts across the street from the proposed development.
- (p) Location of dumpster pad or refuse collection area and proposed screening.
- (q) Existing and proposed parking including handicap spaces and handicap access to building.
- (r) On-site minimum floor elevation and height of the proposed building.
- (s) Drainage plan.
- (t) Coverage, that is, square footage of lot size and ground floor square footage of proposed building.

Except as to submission and approval of the development plan for a Commercial Lot, no other provisions of this Article 7 shall apply to Commercial Lots.

Section 7.37 [INTENTIONALLY DELETED.]

Section 7.38 [INTENTIONALLY DELETED.]

**ARTICLE 8
MAINTENANCE RESPONSIBILITIES**

Section 8.1 Responsibilities of Owners of Lots and Common Areas.

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

(b) Each Lot shall be landscaped in accordance with plans and specifications submitted to and approved by the DRB pursuant to Section 5.6, above. All areas of any Lot that are not improved by the construction of a Dwelling thereon shall at all times be maintained by the Owner in a fully and well-kept landscaped condition utilizing ground cover, shrubbery and trees, as appropriate. The maintenance obligations set forth in this Section 8.1(b) shall apply to all portions of a Lot up to the edge of the pavement of any roadway abutting such Lot and shall be applicable at all times, whether before, during or after the construction of any Improvements thereon. Grass, hedges, shrubs, vines and any other vegetation of any type on any Lot shall be cut and trimmed at regular intervals at all times to maintain the same in a neat, safe and attractive condition. Dead and diseased trees, shrubs, vines, plants and other vegetation shall be promptly removed and replaced with healthy, living plants of like kind and quantity. Dead vegetation, stumps, weeds, rubbish, debris, garbage and waste material shall be promptly removed from any Lot and properly disposed of outside of the Community. Maintenance obligations will be carried out by the Association through maintenance contracts with contractors selected by the Association. The cost of lawn and landscaping maintenance shall be included in the Association budget.

(c) No Owner shall (i) modify, change or otherwise alter the appearance of any portion of the exterior of a Lot or the landscaping, grounds or other Improvements within a Lot unless such modification, change or alteration is first approved, in writing, by the DRB as provided in Sections 5.5 and 5.6 above or (ii) do any work that, in the reasonable opinion of the DRB, would jeopardize the soundness and safety of the Community or the Property, reduce the value thereof or impair any easement or hereditament thereto, without in every such case obtaining the prior written approval of the DRB.

Section 8.2 Responsibilities of Association.

(a) Except as may be otherwise provided herein to the contrary, the Association shall be responsible for maintaining and keeping in good repair and condition all portions of their respective Common Areas, which responsibility shall include the maintenance, repair, upgrade, improvement and replacement of

(i) all private streets and roads within the Community, walks, trails, paths, boardwalks, walkways, bicycle and jogging paths and lanes, parking lots, street lights, landscaped areas, recreational areas, Common Areas or within any easements in favor of the Association encumbering the Lots or Dwellings, as provided in Sections 3.6 through 3.10 inclusive, above,

(ii) such limited access systems and facilities, entrance gates and utility lines, pipes, plumbing, wires, conduits and related systems, sanitary sewage disposal system, appurtenances, equipment and machinery that are a part of the Common Areas and that are not maintained by a public authority, public service district, public or private utility, or other person (iii) all lawns, trees, shrubs, hedges, grass and other landscaping and all lakes and ponds situated within or upon the Common Areas. The Association shall not be liable for injuries or damage to any person or property (1) caused by the elements, acts of God or any Owner or other person, (2) resulting from any surface or subsurface conditions that may at any time affect any portion of the Property caused by rain or other surface water that may leak or flow from any portion of the Lot, Dwelling or Common Area or (3) resulting from theft, burglary or other illegal entry onto the Property, any Lot or Dwelling thereof. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken by or performed by the Association hereunder or for inconvenience or discomfort arising from the making of Improvements or repairs that are the responsibility of the Association or from any action taken by the Association to comply with any requirements of any Governmental Authorities.

(iii) Notwithstanding the foregoing, it shall be the duty, obligation, and responsibility of a Sub-Association to maintain any Common Area or Limited Common Area that is owned by such Sub-Association.

(b) If the Board determines that (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items that he, she or it is responsible for hereunder or (ii) any maintenance, cleaning repair or replacement that the Association or a Sub-Association (if applicable) is responsible for hereunder is caused by the willful or negligent act of an Owner or Occupant, or their respective family members, guests, servants, employees, invitees or contractors, and the costs of such maintenance, cleaning, repair or replacement are not paid in full from insurance proceeds, if any, received by the Association and/or a Sub-Association (if applicable) in question, with respect thereto, then, in either event, the Association in question, in addition to the exercise of any of their rights and remedies set forth in these Covenants, may give such Owner written notice of that Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth in reasonable detail what action is deemed necessary. Except in the event of emergency situations as determined by the Board, such Owner

shall have fifteen days within which to complete the same in a good and workmanlike manner or, if the same is not capable of completion within such fifteen-day period, to commence such maintenance, cleaning, repair or replacement and to proceed diligently with the completion of the same in a good and workmanlike manner. In the event of emergency situations or the failure by any Owner to comply with the provisions hereof after such notice, the Association in question may provide (but shall not be obligated to provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner and said cost shall be a personal obligation of such Owner, shall constitute an individual Assessment to such Owner, and shall be subject to the lien and foreclosure rights granted pursuant to Section 9.10, below. In the event the Association in question fails for any reason to exercise its rights of enforcement set forth in this Section 8.2(b), the Association may, at its option, exercise such rights of enforcement, and all provisions, rights and benefits of this Section 8.2(b) shall inure to that Association.

ARTICLE 9

ASSOCIATION COMMON AREA ASSESSMENTS

Section 9.1 Lot Assessments and Creation of Lien. Each Owner of a Lot, by acceptance of a deed or other instrument conveying any interest therein, regardless of whether such deed or instrument contains a reference to these Covenants, is hereby deemed to covenant and agree to pay to the Association or appropriate Sub-Association, if applicable, as applicable: (a) annual Assessments, as established and to be collected as provided in Section 9.4, below, (b) special Assessments, to be established and collected as provided in Section 9.5, below, and (c) individual Assessments against any particular Lot that are established or assessed pursuant to the terms of these Covenants, including, but not limited to, any fines that may be levied or imposed against such Lot in accordance with the provisions of Sections 5.12, 7.22, 7.23(a), 7.31, 8.2(b), 9.6, 9.9 and 12.1 hereof All Assessments, together with late charges and interest as provided in Section 9.10(a), below, and all court costs and attorneys' fees incurred by each Association to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon each Lot or Dwelling for which the Owner thereof is responsible for the payment of the same, which lien may be enforced in the manner provided in Section 9.10(c), below. Each Owner shall be personally liable for the payment of all Assessments coming due while he, she or it is the Owner of any Lot and such Owner's grantee shall take title to such Lot subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his, her or its grantor any amounts paid by such grantee to the applicable Association that were the legal obligations of such grantor. All Assessments, together with late charges and interest at the Applicable Rate, as specified in Section 9.10(a), below, court costs and attorneys' fees incurred with respect thereto by the applicable Association, shall also be a personal obligation of the person who was the Owner of the Lot at the time such Assessments and other costs and charges were assessed or incurred. In the event of co-ownership of any Lot, all of the Co-Owners shall be jointly and severally liable for the entire amount of such Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the applicable Association. All Assessments shall be payable in all events without offset, diminution or abatement by reason of fire or other casualty or any taking as a result of, in lieu of or in anticipation of the exercise of the right of eminent domain, condemnation or by private purchase

in lieu thereof with respect to any Lot, Dwelling Common Area or any other portion of the Community or any other cause or reason of any nature.

Section 9.2 Purpose of Assessments. The annual and special Assessments provided for herein shall be used for the payment of Common Expenses and for the general purposes of promoting the recreational, health, education, safety, welfare, common benefit and enjoyment of the Owners and Occupants of the Property, and otherwise for the general upkeep and maintenance of the Community, including, but not limited to, any sanitary sewage disposal system that may be installed, the Common Areas and any Improvements thereto, all as maybe more specifically authorized from time to time by the applicable Association.

Section 9.3 Uniform Rate of Assessments for Lots and Dwellings.

(a) Both annual and special Assessments, as described in Sections 9.4 and 9.5, below, shall be assessed against each Lot in the Property at a uniform rate, with each Owner being required to pay that Owner's pro rata portion of such annual and special Assessments, as determined by a fraction, the numerator of which shall be the number of Lots owned by Owner and the denominator of which shall be the total number of Lots in the Community as of the date of the Assessment. Each Improved Lot shall be subject to equal annual and special Assessments.

(b) Notwithstanding anything provided in Section 9.3(a), above, to the contrary, if any Additional Property is added to the Property, then the Lots or Dwellings within the Additional Property shall be subject to the same annual or special Assessments then being paid by the Owners of all Lots and Dwellings in the Property, subject to proration as provided in Section 9.9, below.

Section 9.4 Computation of Annual Assessments.

(a) Annual Budget. Commencing with the fiscal year of the Association that begins on the date of its incorporation through December 31st of that year, and annually thereafter, on January 1st for each subsequent fiscal year of the Association (that is, from January 1st in each year through December 31st in each year), the Association shall determine and adopt annually an annual budget covering the estimated Common Expenses for the Property for the upcoming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The amount set forth in such budget shall constitute the aggregate amount of annual Assessments for the then applicable year and each Owner shall pay his or her pro rata share of the same as provided in Section 9.3, above. A copy of the budget setting forth the amount of annual Assessments to be levied against the Lot for the following year shall be delivered by the Association for each Owner.

(b) Uniform Rate for Commercial Lots. For purposes of annual and special assessments, the Owner of each Improved Commercial Lot shall be deemed to have the number of assessed Commercial Units equal to the total amount of square footage of leasable space in each Commercial Building divided by 2,000 square feet, rounded up or down to the nearest unit (Assessed Commercial Unit). For example, should an Owner own a Commercial Building with 10,500 square feet of leasable space, it will be deemed to own five Assessed

Commercial Units. If any budget or the amount of annual Assessments collected by the Association at any time proves to be inadequate or insufficient for any reason to pay fully all costs and expenses of the Association and all Common Expenses, then the Board may call a meeting of the Association for the purpose of approving special Assessments as provided in Section 9.3, below. If the actual amount of annual Assessments collected in anyone year exceeds the actual costs incurred for Common Expenses for such year, the excess shall be retained by the Association as a reserve for subsequent years' Common Expenses.

(c) Formula for Computing Assessments. The Owner of each Improved Residential Lot, Dwelling and Assessed Commercial Unit shall pay his, her or its pro rata portion of annual and special assessments, based upon a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Improved Residential Lots, Dwellings and Commercial Units subject to annual computation by the Association.

(d) Additional Property and Special Assessments. Notwithstanding anything provided herein to the contrary, if any additional property is added to the Property, then the Improved Residential Lots, Dwellings and Improved Commercial Lots within the Additional Property shall be subject annual and special assessments then being paid the Owners of all Residential Lots, Dwellings and Commercial Lots in the Property, subject to the proration provided in Section 9.9, below.

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

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

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

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

(iv) The expenses of maintaining, operating, repairing and replacing any sewer lift station or any sanitary sewer disposal system servicing any portion of the Property;

(v) The expenses of maintaining, operating and repairing any other amenities and facilities serving the Property that the Association or the Board determines from time to time would be in the best interest of the Owners and the Property to

so maintain, operate or repair, including but not limited to, any limited access facilities, such as electrically monitored gates, entrance ways and any related improvements, and the expenses of a guard or guards for the Property;

(vi) Any expenses of the DRB attributable to the Property that are not defrayed by applicable plan review charges;

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

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

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

(x) A proportionate share of the Association Expenses described in Section 9.4(d), below, which proportionate share shall be determined by the Association, in its sole discretion.

(f) The Association Expenses to be funded by the annual and special Assessments may include, but shall not be limited to, the following:

(i) The charges for any utilities serving any of the Common Areas and charges for other common services for the Community, including, without limitation, trash collection and limited access services;

(ii) The costs of any insurance policies purchased for the benefit of the Association as required or permitted by these Covenants;

(iii) The expenses of maintaining, operating, repairing, upgrading, improving and replacing any portions of the Common Areas, including, without limitation, roads comprising Common Areas within the Property, which maintenance, upgrade, improvement and repair obligation shall include mowing, landscaping, seeding, cleaning, trash pickup and removal, paving, repaving, striping and patching all such roadways comprising Common Areas;

(iv) The expenses of maintaining, operating, repairing and replacing any sewer lift station serving any portion of the Property together with any other portion of the Community; and

(v) All ad valorem real and personal Property taxes assessed and levied upon any of the Common Areas.

Section 9.5 Special Assessments. In addition to the annual Assessments authorized in Section 9.4 above and the special Assessments authorized in Sections 10.1(b) and 10.3(a)(1), below, the Board may levy in any year special Assessments for Common Expenses or any extraordinary costs incurred by the Association; provided, however, that any such special Assessments (other than special assessments levied pursuant to Sections 10.1(b) and 10.3(a)(1), below) shall be approved by a majority of the votes of the Owners who are voting in person or by proxy at the meeting called for the purpose of adopting special assessments pursuant to the provisions of Section 9.7, below. The Board may make such special Assessments payable in one lump sum or in installments over a period of time that may, in the Board's discretion, extend beyond the then fiscal year in which said special Assessments are levied and assessed. Special Assessments shall be levied against and payable by each Owner in accordance with the provisions of Section 9.3 and 9.4, above.

Section 9.6 Individual Assessments. Any expenses of the Association that, in the opinion of the Board are occasioned by the conduct of less than all of the Owners or by an Owner or Occupant, or the respective family members, agents, guest, servants, employees, invitees or contractors of any Owner or Occupant, shall be specially assessed against such Owners and their respective Lots. The individual Assessments provided for in this Section 9.6 shall be levied by the Board and the amount and due date of such Assessment shall be specified by the Board in a notice to such Owner. The provisions of this Section 9.6 shall apply, without limitation, to any individual Assessments levied pursuant to Sections 5.12, 7.22, 7.23(a), 7.31, 8.2(b), 9.6, 9.9 and 12.1 hereof.

Section 9.7 Notice of Meetings and Quorum. Meetings of the members of the Association will be held as follows:

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

(b) Written notice of any meeting of the Association other than an annual meeting shall be sent to all Owners not less than five (5) days nor more than twenty (20) days in advance of such meeting. With respect to any such other meeting of the Association, including, specifically, meetings pursuant to which special Assessments are to be levied upon each Lot pursuant to Section 9.5, above, there shall be no specific requirement establishing a quorum and the vote of a majority of the Owners who are voting in person or by proxy at any such special meeting shall be binding on all of the members of the Association.

Section 9.8 Date of Commencement of Assessments. Annual assessments provided herein shall commence as follows: (i) for Lots, the date in which a certificate of occupancy is issued by appropriate authorities, whichever is sooner; (ii) for Commercial Lots, the date on which a Commercial Lot becomes an Improved Commercial Lot. Improved Commercial Lots shall be subject to assessment and assessments shall be due and payable in such manner on such schedule as may be established from time to time by the Board subject to prior written approval of the Association. Annual Assessments and any outstanding special Assessments shall be adjusted for each Lot according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such assessment is made.

Section 9.9 Effect of Non-Payment; Remedies of the Association.

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

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

(i) The Association may commence and maintain a suit at law against an Owner to enforce such charges and obligations for Assessments and any such judgment rendered in any such action shall include the late charge and interest at the Applicable Rate, as specified in Section 9.9(a), above, together with attorneys' fees,

court costs and all other expenses paid and incurred by the Association in collecting such unpaid Assessments; or

(ii) The Association may enforce the lien created pursuant to Sections 9.1 and 9.10(c) in the manner hereinafter provided.

(c) There is hereby created a continuing lien on each Lot or Dwelling, with power of sale that secures the payment to the Association of any and all Assessments levied against or upon such Lot or Dwelling, all late charges and interest at the Applicable Rate assessed pursuant to Section 9.9(a), above and all attorneys' fees, court costs and all other expenses paid or incurred by the Association in collecting any Assessments. If any Assessments remain unpaid for more than sixty (60) days, then the Association, through its Board or any officer or authorized representative thereof, may, but shall not be obligated to, make written demand on such defaulting Owner, which demand shall state the date and amount of delinquency. Each default shall constitute a separate basis for a demand and claim of lien, but any number of defaults maybe included in a single demand. If such delinquency is not paid in full within ten days after the giving of such demand or, even without giving demand, the Association may file a claim of lien and perfect its lien against the Lot or Dwelling of such delinquent Owner, which claim shall be executed by any member of the Board or any officer of the Association, contain all information required by applicable law, and be recorded in the Office of the Judge of Probate of Baldwin County, Alabama.

(d) Except as provided in Section 9.10(d), below, the lien provided for herein shall be in favor of the Association, shall be for the benefit of all other Owners (other than those Owners in default) and may be foreclosed in the same manner as provided by law in the case of past mortgages, and the Association shall be authorized, at its option, to enforce all available remedies at law and in equity, including but not limited to selling the Lot or Dwelling under the power of sale that is hereby given to the Association in accordance with the applicable governing law. The Association shall have the right and power to bid at any such foreclosure sale and to purchase, acquire, hold, lease, mortgage, convey and sell any such Lot or Dwelling. Each Owner, by acceptance of a deed to any Lot or Dwelling, shall be deemed to (i) grant to and vest in the Association or its agents the right and power to exercise the power of sale granted herein and foreclose the lien created herein, (ii) grant to and vest in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of all amounts due from such Owner, (iii) expressly waive any objection to the enforcement and foreclosure of the lien created herein, and (iv) expressly waive the defense of the statute of limitations that may be applicable to the commencement of any such suit or action for foreclosure.

Section 9.10 Subordination of Lien. Notwithstanding anything provided herein to the contrary, the lien for Assessments and other charges authorized herein with respect to any Lot or Dwelling in the Community is and shall be subordinate to the lien of any Mortgage held by an Institutional Mortgagee, but only to the extent that the Mortgage held by any such Institutional Mortgagee is recorded in the Office of the Judge of Probate of Baldwin County, Alabama prior to the filing of a claim of lien by the Association pursuant to Section 9.9(c), above, or by the Association pursuant to Section 9.9(d), above. When an Institutional Mortgagee exercises its foreclosure rights provided in its Mortgage and acquires title to or sells to a third party its

interest in any Lot or Dwelling, then such Institutional Mortgagee or its purchaser or transferee at such foreclosure sale shall (a) not be liable for any Assessments or other charges incurred prior to the date of transfer or acquisition of title by foreclosure so long as the Mortgage held by such Institutional Mortgagee was recorded in the Office of the Judge of Probate of Baldwin County, Alabama prior to the filing of a claim of lien by the Association pursuant to Section 9.9(c), above, or by the Association pursuant to Section 9.9(d) above, but (b) be liable for all Assessments other charges levied, assessed or incurred with respect to such Lot or Dwelling from and after the date of such foreclosure sale. The foregoing shall not relieve any Owner whose Lot or Dwelling has been foreclosed from the personal obligation to pay all Assessments and any other charges levied, assessed or incurred by the Association shall have the right to pursue all rights and remedies against a defaulting Owner notwithstanding the foreclosure of a Mortgage by an Institutional Mortgagee on such Owner's Lot or Dwelling.

Section 9.11 Certificates. The Association or any officer or authorized representative thereof shall, upon request and at such reasonable times as may from time to time be adopted by the Board, furnish to any Owner a certificate in writing setting forth whether the Assessments for which such Owner is responsible have been paid and, if not paid, the outstanding amount due and other costs and expenses due from such Owner. Such certificate shall be conclusive evidence of payment of any Assessments stated therein.

ARTICLE 10

CASUALTY, CONDEMNATION AND INSURANCE

Section 10.1 Damage or Destruction to Common Areas.

(a) In the event of any damage or destruction to any of the Common Areas by fire or other casualty, then, subject to the provisions of this Article 10, the Association shall promptly repair, replace and restore the damaged portions of the Common Areas to the condition to which they existed immediately prior to such fire or other casualty.

(b) Such special Assessment shall be levied against each Lot or Dwelling equally as provided in Sections 9.3 and 9.4, above. Notwithstanding anything provided in Section 10.1(a), above, if the amount of insurance proceeds, if any, recovered as a result of such damage or destruction is insufficient fully to repair, replace and restore the damaged portions of the Common Areas, and such deficiency cannot be appropriated from any reserve fund that may have been established for such purpose, then the Board, as applicable, subject to the prior written approval of the Association, may levy a special Assessment against the applicable Owners, without the necessity of a vote of the Owners approving or disapproving the same pursuant to Section 9.5 or 9.6, above, which special Assessment shall be in an amount sufficient to provide funds to pay a proportionate share of the remaining costs necessary to repair, replace or restore the Common Areas to the condition as existed immediately prior to such fire or other casualty. Such special Assessment shall be levied against each Lot or Dwelling equally as provided in Sections 9.3 and 9.4, above. Further special Assessments may be made by the Board Association on a proportionate share basis, as described above, without the necessity of a vote of the Owners approving or disapproving the same, at any time during or upon completion of any such repair, replacement or restoration of the Common Areas if funds are insufficient to cover the costs of

such repair, replacement or restoration. Any and all insurance proceeds received by the Association on account of any damage to or destruction of any of the Common Areas or any sums paid to the Association by virtue of such special Assessments shall be held by and for the benefit of the Association and shall be disbursed by the Association in payment for the costs of such repair, replacement or restoration in such manner as may be determined by the Association. In no event shall the Owner or Mortgagee of any Lot or Dwelling be entitled to any portion of any special Assessments or proceeds of insurance payable as a result of the damage to or destruction of any portion of the Common Areas.

Section 10.2 Damage or Destruction to Lots and Dwellings. In the event of any fire or other casualty that damages or destroys any portion of any Lot or Dwelling, then the Owner of such damaged Lot or Dwelling shall promptly repair and otherwise restore such Lot or Dwelling to the condition to which the same existed immediately prior to such fire or other casualty; provided, however, that any such restoration or repair shall be subject to compliance with all of the provisions set forth in Article 5, above and all then applicable rules, regulations, statutes and ordinances of Governmental Authorities. Any such restoration or repair shall be commenced within one hundred eighty days following the occurrence of such fire or other casualty. The Owner of any such damaged Lot or Dwelling shall proceed diligently and complete all such restoration and repair no later than one year following the occurrence of such fire or other casualty. In the event the restoration or repair of such Lot or Dwelling is impracticable or would otherwise violate any of the provisions of these Covenants, then such Owner shall promptly clear away any remaining Improvements damaged or destroyed by such fire or other casualty and shall leave such Lot or Dwelling and any remaining Improvements thereon in a clean, orderly, safe and sightly manner.

Section 10.3 Condemnation of Common Areas.

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

(i) To the extent the Common Areas subject to such taking can either be restored or replaced, then, to the extent practicable, the Association shall take such action, including the utilization of any other Common Areas within the Community, to restore or replace, as the case may be, those portions of the Common Areas subject to such taking. If the award is insufficient to defray fully the cost of such restoration or replacement, and such deficiency cannot be appropriated from any reserve fund that may have been established for such purpose, then the Board may levy a special Assessment against all Owners, without the necessity of a vote of the Owners approving or disapproving the same pursuant to Sections 9.5 and 9.6, above, which such special Assessment shall be in an amount sufficient to provide funds to pay a proportionate share of the remaining costs of restoration or replacement. Such special Assessment shall be levied against each Owner as provided in Section 9.4, above. Further special Assessments may be made by the Board on a proportionate share basis without the necessity of a vote of the Owners approving or disapproving

the same, at any time during or upon the completion of any such restoration or replacement of the Common Areas if the award received as a result of such taking is insufficient to pay the costs of such restoration or replacement.

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

(b) If any portion of the award from any taking remains after restoration or replacement of any of the Common Areas, the remainder of such award shall be retained by and for the benefit of the Association without any claim thereto any Owner. Except as specifically provided in Section 10.3(c), below, no Owner or Mortgagee shall be entitled to any portion of the award made to Association as a result of the taking of any portion of the Common Areas.

(c) If any such taking or sale in lieu thereof includes all or any part of a Lot or Dwelling and also includes any part of the Common Areas, then the award from such taking shall be equitably apportioned in accordance with the decision of a court of competent jurisdiction, and such award shall be disbursed separately to the Association and to the Owners so affected by such taking; provided, however, that the Owners of any Lot or Dwelling that is subject to any such taking and the Association may agree on the amount of such apportionment, which mutual agreement shall be binding on all Owners. It is intent of this Section that the Association shall restore its Common Areas and that the Association shall restore its Common Areas, and each shall retain the applicable proceeds of condemnation not utilized in restoration.

Section 10.4 Condemnation of Lots or Dwellings. If all or any portion of a Lot or Dwelling is taken as a result of, in lieu of or in anticipation of the exercise of the right of eminent domain, condemnation or by private purchase in lieu thereof; then, to the extent practicable, the Owner of such Lot or Dwelling shall promptly repair, reconstruct, rebuild and otherwise restore the remaining portions of the Lot or Dwelling as nearly as practicable to the condition to which the same existed immediately prior to such taking; provided, however, that any such restoration shall be subject to all of the terms and conditions set forth in Article 5 above and all then applicable rules, regulations, statutes and ordinances of the Governmental Authorities. If the restoration of such Lot or Dwelling is impracticable or would otherwise violate any of the provisions of these Covenants, then such Owner shall promptly clear away any remaining Improvements damaged or destroyed by such taking and shall leave such Lot or Dwelling and any remaining Improvements thereon in a clean, orderly, safe and sightly condition.

Section 10.5 Insurance.

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

such insurance carriers, at such costs and with such deductibles as the Association, in its sole discretion, may determine.

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

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

(d) All insurance coverage authorized in Section 10.5(c), above shall be written in the name of the Association and all costs thereof shall be a Common Expense. To the extent the same may be obtained at a nominal cost, all such policies shall contain a waiver of subrogation clause pursuant to which the insurer waives any claims against the Association, the members of the Board and all officers, agents and employees, including the manager for the Community, the Association, the Owners and the family members, servants, agents, tenants and guests, of the Owners.

(e) All insurance coverages required in Sections 10.5(a) and 10.5(b), above shall be written in the name of the Association and a proportionate share of all costs thereof shall be a Common Expense.

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

ARTICLE 11

TERM AND AMENDMENTS

Section 11.1 Term. The terms, covenants, conditions and restrictions set forth in these Covenants shall run with and bind all of the Property, shall inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, personal representatives, administrators, successors and assigns, and shall be and remain in effect for a period of ninety-nine (99) years from and after the date hereof, after which time these Covenants shall be automatically renewed

and extended for successive and continuous period often years each, unless, at any time after twenty years from the date hereof, an agreement executed by the Owners of at least two-thirds or more of the Lots within the Property agreeing to terminate or modify these Covenants has been recorded in the Office of the Judge of Probate of Baldwin County, Alabama; provided, however, that the rights of way and easements established, granted and reserved in Article 3 hereof shall continue and remain in full force and effect for the time periods and duration specified therein.

Section 11.2 [INTENTIONALLY DELETED.]

Section 11.3 Amendments by Association. Amendments to these Covenants shall be proposed and adopted by the Association in the following manner:

(a) At any annual or special meeting of the members of the Association, an amendment to these Covenants may be proposed by either the Board or by any Owners by providing written notice of such proposed amendment to all Owners at least ten (10) days before such meeting. In no way limiting the foregoing, such notice must include a statement that an amendment to the Covenants shall be proposed at such meeting and the name and contact information of the proposing party, but there is no requirement that such notice include a copy of the proposed amendment; however, the Board and/or any Owners may request a copy of such proposed amendment from the proposing party, and the proposing party must provide a copy thereof to the requesting party no later than two (2) days before such meeting. Any such proposed amendment must be approved by the Owners holding at least two-thirds (2/3) of the total votes in the Association.

(b) Any and all amendments approved in accordance with the provisions of Section 11.3(a), above shall be executed by all parties whose consent to the same is required, including the Owners holding at least two-thirds (2/3) of the total votes in the Association; provided, however, that in the alternative, the sworn statement of the President of the Association or by the Chairman of the Board stating unequivocally that the agreement of the requisite number of Owners was lawfully obtained may be attached to and incorporated into such amendment without the written consent of any Owner. Any such amendment shall be effective upon recording of the same in the Office of the Judge of Probate of Baldwin County, Alabama.

Section 11.4 [INTENTIONALLY DELETED.]

**ARTICLE 12
ENFORCEMENT**

Section 12.1 Authority and Enforcement. In addition to the provisions of Sections 5.12, 7.22, 7.23, 7.31, 7.35, 8.2(b), 9.6 and 9.9 hereof, if any Owner or Occupant or their respective agents, contractors or invitees, violates any of the provisions of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations adopted by the Board from time to time, the Board shall have the power to (i) impose reasonable monetary fines that shall constitute an equitable charge and continuing lien upon the Lot or Dwelling and shall be a personal obligation of such Owner that is guilty of such violation, (ii) suspend an Owner's right

to vote in the Association or (iii) suspend an Owner's or Occupant's right (and the right of such Owner's or Occupant's family members, guests and tenants) to use any of the facilities located in or upon the Common Areas, and the Board shall have the power to impose all or any combination of any of the foregoing sanctions. Any such suspension of rights may be for the duration of the infraction.

Section 12.2 Procedure. In the event any of the terms or provisions of these Covenants, the Articles of Incorporation, the Bylaws or any rules and regulations of the Association are violated by an Owner or Occupant, or the respective agents, contractors or invitees of any Owner or Occupant, the Board shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights pursuant to Section 12.1, above, unless written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violations which demand shall specify:

(a) The alleged violation;

(b) The action required to abate such violation; and

(c) A time period of not less than ten days during which the violation may be abated without further sanction (if such violation is a continuing one), or (if the violation is not a continuing one), a statement that any further violation of the same provision of these Covenants, the Design Code, the Articles of Incorporation, the Bylaws or any of the rules and regulations of the Association may result in the imposition of sanctions. The foregoing procedure shall only be applicable to the enforcement rights specified in Section 12.1, above, and shall not apply to the exercise of any of the rights and remedies specified in any other provision of these Covenants.

Section 12.3 Nonexclusive Remedies. Notwithstanding anything provided to the contrary in these Covenants, the authority, enforcement and procedural rights set forth in this Article 12 are in addition to and shall not be deemed to limit the other rights and remedies set forth in these Covenants or that the Association, acting through the Board, would have the right to exercise at law or in equity.

ARTICLE 13 MISCELLANEOUS PROVISIONS

Section 13.1 Rights of Truland. Truland did not develop the Community but instead purchased the Truland Lots in bulk and then worked with utilities providers, governmental permitting authorities, and contractors to raise development standards of the Community. In no event shall Truland be liable to any Owner or anyone else for any Community infrastructure, any actions or omissions of Developer, or any of the said efforts by Truland. Despite any provisions to the contrary in these Covenants, the Articles of Incorporation, or Bylaws, as long as Truland owns at least five (5) Lots in the Community, (a) Truland shall have full authority to appoint, remove, and replace a majority of the members of the DRB and a majority of the members of the Board of Directors; (b) no amendment to these Covenants shall be effective without Truland's specific written consent; and (c) Truland shall have the right to unilaterally amend these Covenants to make any technical changes, to correct any clerical errors, or to effect

changes that would not materially adversely affect any Lot that Truland does not own. In no way limiting the foregoing, Truland or Truland's designee shall have the right to amend these Covenants to remove and withdraw any or all of the property in Lot 2 of the PUD Plat ("Lot 2") from the Community so that Lot 2 is not subject to or under the jurisdiction of these Covenants or the Association. Notwithstanding anything to the contrary contained herein, the Owner of Lot 2 shall not be entitled to any vote in the Association or be subject to any assessments from the Association until Lot 2 is improved with one or more Dwellings or Commercial Improvements and a certificate of occupancy has been issued by the applicable governing jurisdiction for such improvement(s).

Section 13.2 Legal Expenses. In addition to the rights and remedies set forth in Articles 5, 6, 7, 8, 9, 10 and 12 hereof, if the Association, its agents or representatives, the DRB, its agents or representatives, or the Board, its agents and representatives, undertake any legal or equitable action that any of them deem necessary to abate, enjoin, remove or extinguish any violation or breach of these Covenants, then all costs and expenses incurred by any of them, including, without limitation, attorneys' fees and court costs, in enforcing any of the terms, provisions, covenants or conditions in these Covenants shall be paid for by the Owner against whom such action was initiated. The Association, its agents and representatives, the DRB, its agents and representatives, and the Board, its agents and representatives, are each hereby authorized to take any and all legal or equitable action as may be necessary under the circumstances to restrain or enjoin any such violation or breach or to otherwise seek monetary damages as a result of any expenses incurred by either the DRB, the Association to cure such violation or breach.

Section 13.3 Severability. If any provision of these Covenants or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of these covenants or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each provision shall be valid and enforceable to the fullest extent permitted by law.

Section 13.4 Captions and Headings. The captions and headings contained in these Covenants are for convenience of reference only and shall not be used in the construction or interpretation of any provisions of these Covenants. The table of contents, cover page and any index to these Covenants are for convenience of reference only and shall not define or limit any of the provisions hereof.

Section 13.5 Pronouns and Plurals. All personal pronouns used in these Covenants, whether used in the masculine, feminine or neuter gender, shall include all other genders. The use of the singular tense shall include the plural and the use of the plural shall include the singular.

Section 13.6 Binding Effect. The provisions of these Covenants shall be binding upon each Owner, Occupant and Mortgagee and the respective heirs, executors, administrators, personal representatives, successors and assigns of each Owner, Occupant and Mortgagee, and shall inure to the benefit of the Association, the DRB, all of the Owners and their respective

Mortgagees and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Section 13.7 Conflict or Ambiguity. In the event of any conflict or ambiguity in the provisions of these Covenants, the general rules of construction against one party as a result of that party having drafted these. Covenants are hereby waived by each Owner and, to the fullest extent allowed by law, no conflicts or ambiguity shall be resolved in favor or to the advantage of one party as opposed to another in interpreting any ambiguity or conflict contained herein.

Section 13.8 [INTENTIONALLY DELETED.]

Section 13.9 Interpretation. In all cases, the provisions in these Covenants shall be construed together and given that interpretation or construction that, in the opinion of the Board, will best effectuate the intent of the general plan of development for the Property. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication so as to make them fully effective. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes that are less restrictive. The effective date of these Covenants shall be the date hereof. These Covenants shall be construed under and in accordance with the laws of the State of Alabama.

Section 13.10 Right of Third Parties. These Covenants shall be recorded for the benefit of the Association, the Owners and their respective Mortgagees and by such recording, no adjoining property Owner or other third party shall have any right, title or interest whatsoever in the Property or the Community, or in the operation and continuation of either, or in the enforcement of any of the provisions of these Covenants nor shall any of them have the right to consent to or approve any amendment or modification to these Covenants.

Section 13.11 No Trespass. Whenever the Association, the DRB, and their respective agents, employees, representatives, invitees, successors and assigns, are permitted by these Covenants to enter upon or correct, repair, clean, maintain or preserve or do any other action within any portion of a Lot, the entering thereon and the taking of such action shall not be deemed a trespass.

Section 13.12 No Partition. Each Owner hereby waives any right to seek or obtain judicial partition, of any portion of the Property or the Community.

Section 13.13 [INTENTIONALLY DELETED.]

Section 13.14 Standards for Review. Whenever in these Covenants the Association or the DRB has the right to approve, consent to, or require any action be taken pursuant to the terms hereof, such approval, consent or required action shall, except as otherwise specifically provided herein to the contrary, be given or withheld in the sole and absolute discretion of the Association or the DRB, as the case may be.

Section 13.15 Oral Statements. Oral statements or representations by the Association, the DRB, the manager of the Community, or any of their respective employees, agents,

representatives, successors or assigns, shall not be binding on the Association, the DRB, or the manager of the Community.

Section 13.16 Notices. Notices required hereunder shall be in writing and shall be delivered by hand, by overnight courier, telecopied, or sent by registered or certified United States Mail, postage prepaid return receipt requested. Any notice so addressed and mailed shall be deemed to be given seven (7) days after deposit in the United States Mail, and if delivered by hand, shall be deemed to be given when delivered, and if telecopied or delivered by overnight courier, shall be deemed to be given on the business day immediately following the day that it was sent or delivered. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association or, if no such address has been so designated, at the address of such Owner's respective Lot within the Property. All notices to the Association or the DRB shall be delivered or sent in accordance with the Bylaws or to such other address as the Association or the DRB may from time to time specify in a notice to the Owners.

Section 13.17 Assignment. The Association and the DRB shall each have the right to assign any and all of the rights, powers, reservations and duties contained herein to any person or entity that shall thereupon have the same rights, power, reservations and duties as the Association and the DRB, respectively.

Section 13.18 Further Assurances. Each Owner covenants and agrees to execute, sign and deliver, or cause to be executed, signed and delivered and to otherwise do or make or cause to be done and made, any and all agreements, instruments, papers, deeds, acts or things, supplemental, conformity or otherwise, that may be reasonably requested by the Association or the DRB for the purpose of clarifying, amending or other consummating any of the transactions and matters herein.

Section 13.19 No Waiver. All rights, remedies and privileges granted to the Association and the DRB pursuant to the provisions of these Covenants shall be deemed to be cumulative, and the exercise of anyone or more of such rights, remedies or privileges shall not be deemed to constitute an election of remedies nor shall it preclude the party exercising the same, or any other party, from pursuing such other and additional rights, remedies or privileges as may be available to such party at law or in equity. The failure at any time to enforce any covenant or restriction set forth herein shall not be deemed a waiver of the right thereafter to enforce such covenant or restriction.

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IN WITNESS WHEREOF, the undersigned has caused this Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Cypress Village to be executed as of the 31st day of August, 2017.

CYPRESS VILLAGE MASTER ASSOCIATION,
INC., an Alabama non-profit corporation

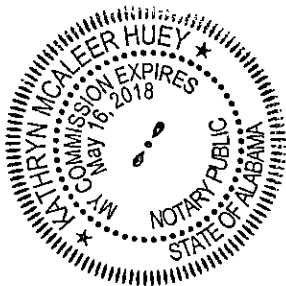
By: Will Lowery
Name: WILL LOWERY
As its: PRESIDENT

STATE OF ALABAMA :
COUNTY OF BALDWIN :

I, the undersigned Notary Public, in and for said State and said County, hereby certify that Will Lowery, whose name as President of Cypress Village Master Association, Inc., an Alabama non-profit corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such President and with full authority, executed the same voluntarily as and for the act of said entity on the day the same bears date.

Given under my hand and official notarial seal this the 31st day of August, 2017.

{SEAL}



Kathryn McAleer Huey
NOTARY PUBLIC
My Commission Expires: May 16, 2018

CONSENT OF TRULAND HOMES, LLC

Truland Homes, LLC, an Alabama limited liability company, as the owner of Lots 12, 16, 21, 26, 28, 30, 33, 35, 36, 37, 39, 40, 45, 46, 47, 48, 49, 50, 55, 57, 58, 62, 63, 64, 65, 71, 75, 76, 77, 78, 80, 81, 83, 84, 85, 87, 88, 89, 91, 92, 93, 94 of the PUD Plat and Lots 1 through 73 of the Courtyard Cottages Plat hereby consents to this this Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Cypress Village.

TRULAND HOMES, LLC, an Alabama limited liability company

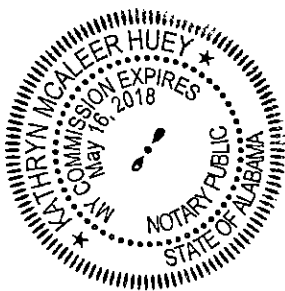
By: 
Name: ANDREW DOLAN
As its: Chief Legal Officer

STATE OF ALABAMA :
COUNTY OF BALDWIN :

I, the undersigned Notary Public, in and for said State and said County, hereby certify that ANDREW DOLAN, whose name as CLO of Truland Homes, LLC, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such OFFICER and with full authority, executed the same voluntarily as and for the act of said entity on the day the same bears date.

Given under my hand and official notarial seal this the 31st day of August, 2017.

{SEAL}




NOTARY PUBLIC
My Commission Expires: May 16, 2018

CONSENT OF CV SETTLEMENT HOLDINGS, LLC

CV Settlement Holdings, LLC, an Alabama limited liability company, as the owner of Lots 10, 11, 17, 18, 20, 22, 23, 25, 27, 29, 31, 32, and 34 hereby consents to this this Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Cypress Village.

CV Settlement Holdings, LLC, an Alabama limited liability company

By: Pete Bumpus
Name: PETE BUMPUS
As its: MANAGER

STATE OF Alabama ::
COUNTY OF Mobile ::

I, the undersigned Notary Public, in and for said State and said County, hereby certify that Peter Blume, whose name as MANAGER of CV Settlement Holdings, LLC, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such MANAGER and with full authority, executed the same voluntarily as and for the act of said entity on the day the same bears date.

Given under my hand and official notarial seal this the 31 day of August, 2017.



NOTARY PUBLIC
My Commission Expires: 9/23/17