

STATE OF ALABAMA
COUNTY OF BALDWIN

BALDWIN COUNTY, ALABAMA
TIM RUSSELL PROBATE JUDGE
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**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
GRACE MAGNOLIAS SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Restrictions and Covenants is made, adopted, published and declared this 24th day of February, 2012, by GRACE MAGNOLIAS, INC., an Alabama corporation ("Developer").

RECITALS

Developer, owner of all of the eighteen (18) Lots and Common Area known as GRACE MAGNOLIAS ("the Subdivision"), as shown on the Plat recorded at Slide 2465-C, in the records of the Office of Judge of Probate of Baldwin County, Alabama ("the Plat"), desires to place certain restrictions, covenants, conditions and reservations upon the above described property in accordance with a general scheme or plan in order (a) to protect the owners of each lot against improper use of surrounding lots as will depreciate the value of the property, (b) to preserve, as far as practicable, the natural beauty of each lot, (c) to ensure the creation of attractive, well designed, properly proportioned and appropriate homes of suitable materials with appropriate locations on said lot lines, (d) to ensure proper building setbacks from street and lot lines, (e) to provide adequate free space between structures, and (e) in general, to assure appropriate development and improvement of the Subdivision and each lot thereon;

NOW THEREFORE, Developer does hereby impose on the Lots the following protective restrictions, covenants, conditions, and reservations, hereby specifying that the provisions contained herein are covenants running with the land and binding upon and inuring to the benefit of each and every owner of any Lot and each such owner's personal representatives, heirs, successors and assigns.

ARTICLE I

Definitions

1.1 Association "Association" shall mean and refer to a nonprofit incorporated association of members of all Lot owners within this subdivision, embraced by this dedication, the major purpose of which is to maintain and provide common community facilities and services respecting Common Areas for the common use and enjoyment of all Lot owners and residents therein. Membership in said Association shall be automatic for each and every Lot owner therein. The name of the Association shall be GRACE MAGNOLIAS PROPERTY OWNERS ASSOCIATION, INC.

1.2 Owner. "Owner" shall mean and refer to the record owner, whether one or more persons, firms or corporations, of the fee, simple title to any Lot which is a part on the Property, but excluding those having such interests merely as security for the performance of an obligation.

1.3 Period of Developer Control. "Period of Developer Control" shall mean the period of time ending five (5) years after Developer no longer any Lots in the Subdivision or such earlier time as Developer terminates such Period by a written declaration of termination recorded in the Baldwin County Probate Court. Developer may extend the Period of Developer Control by recording a written notice of Developer's intention to annex adjacent land into the Subdivision, and in such event, the Period of Developer Control shall expire two (2) years after the recording of such notice or such later time as Developer ceases to own any Lots in the annexed land.

1.4 Lot(s). "Lot(s)" shall mean and refer to any Lot shown as such on the Plat and numbered.

1.5 Developer. "Developer" shall mean and refer to GRACE MAGNOLIAS, INC., an Alabama corporation, and any successor to whom or to which Developer shall expressly assign its rights under this Declaration. .

1.6 Subdivision. "Subdivision" shall mean and refer to the GRACE MAGNOLIAS SUBDIVISION as shown on the Plat and shall also include any additional land as Developer may annex into the Subdivision pursuant to its rights under this Declaration.

1.7 Common Area. "Common Area" shall mean and refer to those areas of land so designated and embraced by the Plat of the subdivision and any other property acquired by the Association. Common Area shall also mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. Additional real property may be conveyed to the Association for the common use and enjoyment of Owners as the Subdivision is developed. Initially, the only Common Area is the 0.66 acres shown as Common Area 1 on the Plat.

ARTICLE 2

General Land Usage

2.1 Lot Usage. All Lots in the Subdivision shall be used and occupied for single-family residential purposes only. No owner or other occupant shall use or occupy any Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family residence for the Owner or such Owner's tenant and their families. As used herein, the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments or other apartment use. Except as provided herein, no Lot shall be used or occupied for any business, commercial, trade or professional purpose.

2.2 Building Structure. No building other than single-family dwellings and outbuildings used in connection therewith, shall be erected, altered, placed or permitted to remain on Lots. The term "outbuildings" shall include only garages, carports, and similar storage for motor vehicles, pump houses and other buildings for domestic animals permitted hereunder and pets, children's playhouses, guest and servants quarters and structures of a similar nature for the convenience and pleasure of the occupants of the main dwelling and which are not incident to any commercial enterprise, business or profession.

2.3 Temporary and Other Structures. No structure of a temporary character, trailer, mobile home, tent, shack, barn, or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot either temporarily or permanently, and no residential building, garage or other structure appurtenant thereto, shall be moved upon any Lot from another location; except, however, that Developer reserves the exclusive right to erect, place and maintain, such facilities in and upon the Subdivision as in its sole discretion may be necessary or convenient during the period of and in connection with the constructing other improvements within the Subdivision. Such facilities may include, but not necessarily be limited to, a temporary construction and/or sales office building, storage area, signs and portable toilet facilities. Developer and builders shall also have the right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales operations in the Subdivision, but in no event, shall a builder have such right for a period in excess of one (1) year from the date of the earlier of the sale of such builder's last Lot in the Subdivision or the builder's ceasing to actively market one or more Lots in the Subdivision.

2.4 Nuisance. No noxious or offensive activity shall be carried on or permitted upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Subdivision or to other Owners. The use or discharge of firearms on any part of the Property is prohibited. No motorbikes, motorcycles, motor scooters, "go-carts," four wheelers or other similar vehicles shall be permitted to be operated on any Lot in such a manner as to create a nuisance.

2.5 Signs. No billboards or other advertising sign shall be erected or placed on any Lot, except that any Owner may display on a Lot one (1) sign of not more than six (6) square feet to advertise the Lot and any residence for sale. During the building of homes in the subdivision, Developer and/or the builders in the Subdivision may place (1) one 4'x 8' sign at the entrance or on one Lot to advertise the Subdivision.

2.6 Animals. No animals, livestock, horse, poultry or fowl of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, and other household pets may be kept.

2.7 Garbage and Refuse Storage and Disposal. All Lots shall at all times be kept in a healthful, sanitary and attractive condition. No Lot shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly fitted lids, which shall be maintained in a clean and sanitary condition and be screened from public view, and not left in the street or driveway for more than (12) hours during day of pickup. No Lot shall be used for open storage of any material whatsoever, if such storage is visible from the street, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, not exceeding one (1) year, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which time such materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. During all phases of construction of new homes and/or outbuildings or during all phases of construction involving existing homes and/or outbuildings, garbage and refuse shall be stored on the Lot in such a manner as to prevent the garbage and/or refuse from leaving the Lot except under approved disposal means and methods.

2.8 Minimum Lot Size. No Lot shall be re-subdivided from the recorded plat, nor shall any single family residential building be erected or placed on any Lot having an area less than the amount shown on the Plat, and in these restrictions. All Lots shall be conveyed as a whole except that two (2) or more contiguous Lots may be re-subdivided into equal or lesser number of contiguous parcels provided that: (a) the square foot area of each re-subdivided parcel may not have less square foot area of the smallest Lot on the Plat, and (b) the Architectural Control Board shall approve the same by an instrument recorded in the public records of Baldwin County, Alabama. Thereafter, such re-subdivided lots shall constitute "Lots" for purposes of this Declaration.

2.9 Lot Maintenance. The Owner or occupants of all Lots at all times must keep weeds and grass thereon cut in a healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The drying of clothes and the storage of

yard equipment, pool equipment, well pumps, gas bottles and other machinery shall be screened from public view.

2.10 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject, however, to the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by members of the Association by vote of two-thirds (2/3) of the membership. Any Owner may delegate, in accordance with the by-laws, his right of enjoyment to the Common Area and facilities for the members of his family, invitees, his tenants or contract purchasers who reside on his Lot.

2.11 Satellite Dish. Satellite dishes must be located in back yards and substantially screened from view from any street and from any other Lot, except, however, in such instances in which reception is not available unless otherwise located.

2.12 Mailboxes. Only a standard mailbox selected by Developer shall be allowed.

2.13 Vehicles. No inoperative cars, trucks, trailers, boats, campers or other types of vehicles shall be allowed to remain either on or adjacent to any Lot for a period in excess of forty-eight (48) hours; provided, however, this provision shall not apply to any such vehicle being kept in an enclosed garage or otherwise screened from view from any street by a fence. No trucks larger than a one-ton pickup and no heavy machinery or equipment shall be parked in the Subdivision, except those reasonably necessary to construct and install approved improvements. Recreational vehicles, campers, boats, and trailers shall be parked in garages or otherwise stored out of view from the street. No permanent parking on streets is allowed. There shall be no major repair performed on any motor vehicle on or adjacent to any Lot unless performed inside an enclosed garage. No noxiously loud or dangerous vehicles shall be allowed to be operated on any Lot.

ARTICLE 3

Architectural Control Board and Architectural Control

3.1 Architectural Control Board. Until such time as the Period of Developer Control ends or such earlier time as Developer shall elect to relinquish some or all of the authority vested in the Architectural Control Board (herein "ARC"), all authority vested in the ARC by this Declaration shall instead be made by Developer or Developer's designee. When the Period of Developer Control ends or such earlier time as Developer shall elect to relinquish some or all of the authority vested in the ARC, the Developer shall notify the Association that it should appoint three (3) Lot Owners to comprise membership of the ARC. However, in such event, Developer may retain with respect to Lots still then owned by Developer all ARC-related authority.

The ARC shall receive no compensation for services rendered and performed hereunder; provided, however, that the Architectural Control Board shall have the right to charge a

reasonable fee for review of plans submitted in accordance with this Article and construction inspection, such fee reasonably calculated to reimburse the Architectural Control Board only for its actual out-of-pocket expenses (including employment of professional advisors).

3.2 Approval of Plans. A detailed plan shall be reviewed and approved in accordance with this Declaration. No building, structure, fence, wall, tennis court, swimming pool, landscaping or other outdoor recreational facility, including lighting or other improvements, shall be commenced, erected, constructed, placed or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the detailed plans, specifications and plot plans shall have been submitted to and approved in writing by the Architectural Control Board.

3.3 Construction Requirements.

(a) Only new construction materials (except for used decorative brick) shall be used and utilized in constructing any structures situated on a Lot.

(b) All exterior construction on the primary residential structure must be completed in accordance with approved plans not later than twelve (12) months, following commencement of construction. For the purpose hereof, the term "commencement of construction" shall be deemed to mean the date on which the building permit is purchased. Construction halted for more than twelve (12) months, or manifestly incomplete after the termination of the twelve (12) month period following the commencement of construction, or abandoned indefinitely, must be removed at the Owner's expense. Such removal shall include all roofs, walls and foundations, and any remaining excavations shall be filled in and natural vegetation allowed to recover. Notwithstanding the foregoing, the Architectural Control Board may, at its sole discretion, grant an extension in writing to such twelve (12) month period, provided that exterior construction has been diligently pursued and/or the operation of extenuating circumstances warrant such extension.

3.4 Size of Residence. No residential structure erected on any Lot shall have less than one thousand eight hundred (1,800) square feet of heated floor space, exclusive of the area of attached garages, porches, guest or servants quarters or other appurtenances or appendages. No residential structure erected on any Lot shall have a roof pitch less than 6 on 12. All residential structures must use architectural or dimensional shingles; traditional flat shingles will not be allowed.

3.5 Building Locations and Setback. Building setbacks shall be per the Plat. For the purposes of this Subsection 3.5, eaves, steps, and open porches shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building to encroach upon, or overhang any other Lot. If two or more Lots, or fractions thereof, are consolidated into one single building site, these building setbacks shall be applied to such resultant building site as if it were one original, platted Lot. In no case shall a setback violate any setback requirement of any applicable governmental authority.

3.6 Landscaping, Walls and Fences. Walls or fences constructed or erected on any Lots shall be of ornamental iron, wood, vinyl or masonry construction. No wall or fence shall be

constructed from the front property line to 20 feet behind the corner of the house nearest the front property line. All Lots shall be grassed in the entire designated yard area by sodding and the yard shall be landscaped upon the completion of construction and before occupancy. It shall be the Owner's responsibility to maintain any landscaping, walls or fences situated on a Lot so that such improvements remain in an attractive, well-kept condition. Back property fences on lots shall have a common fence of the same kind, height and color with a maximum height of six (6) feet.

3.7 Garages. Every residential structure shall include, at minimum, a two-car garage.

3.8 Off Street Parking. Each Lot Owner shall provide adequate space and facilities for parking at least three (3) automobiles off the street and within the boundaries of the Lot.

3.9 Driveway and Walkway Construction. All driveways shall be constructed of concrete and have a minimum width of eight (8) feet. Where curbs are required to be cut for driveway entrances, the curb shall be repaired in a neat and acceptable fashion. All driveways must be constructed in a manner that will not alter the requirements of the drainage system constructed for the Subdivision. All driveways and walkways must be approved by the Architectural Control Board. A four (4) foot wide concrete sidewalk will be constructed at the time the driveway is being built. The sidewalk must be constructed on that portion of the Lot immediately adjacent to the street side property line of the Lot. On corner Lots it will also be built along the side street. All driveways and walks will be depicted on plot plans for appraisal. All curbs must be cut before being removed to construct driveways and shall be repaired in a neat and workmanlike manner. Proper maintenance of driveways and walkways shall be the responsibility of the Lot Owner immediately adjacent to those improvements even if said improvements are located within the area upon which the Association has an easement.

3.10 Utility Connections. All house connections for all utilities including, but not limited to, water, electricity, telephone, and television shall be run underground from the proper connecting points to the dwelling in such a manner to be acceptable to the governing utility authority, and not encroaching on other Lots adjoining.

3.11 Lots on Wetland Areas, Body of Water. No Lot shall be increased in size by filling in of any wetlands, body of water, creek or any waterway on which it may abut without appropriate governmental permits (if any are required) and prior written approval of the Architectural Control Board.

3.12 Minimum Construction Standards and Inspections. In addition to compliance with the requirements set forth under this Declaration, any and all improvements on any Lot shall comply with any applicable ordinance of any governmental entity having jurisdiction. During all phases of construction and improvements on any Lot, the Architectural Control Board or its designated representatives may make periodic inspections for the purpose of determining compliance with the provisions of this Declaration.

3.13 Easements. An easement is reserved over and across each Lot in the Subdivision (except those portions on which a residential dwelling is actually constructed) for the purpose of installing, repairing, and maintaining or conveying to proper parties for the installation, repair or maintenance of electrical power for the Lots in the Subdivision, and easements shown or reserved on the Plat if any, are hereby adopted as part of these restrictions.

3.14 Lot Drainage. No one shall change the natural contours of the land causing undue and harmful flow of surface water drainage to adjoining property owners. The existing drainage patterns shall not be altered. On Lots with drainage easements (as reflected on the Plat), no structures, planting, or other materials including fencing, of a permanent nature, shall be placed or permitted to remain which may change the direction or flow of drainage channels in the easements, or obstruct or retard the flow of water through any such drainage channels.

3.15 Waivers By Architectural Control Board - The Architectural Control Board shall have the right to grant variances from the specific requirements of this Declaration for building setbacks for both primary buildings and outbuildings and for pools, fencing, building material and eave overhangs if by not granting the variance, the Lot Owner will experience, in the sole opinion of the Architectural Control Board, an undue hardship.

ARTICLE 4

Association Creation, Membership and Rights of Members

4.1 Formation of a Homeowners Association. The Developer shall create a nonprofit corporation (Association) under the laws of the State of Alabama which shall have the power and obligation of perpetually managing and maintaining, repairing, replacing, improving and, if appropriate, insuring the Common Areas, facilities and easements within the Subdivision.

Initially, the only Common Area is the 0.66 acres shown on the Plat as Common Area 1. Common Area 1 is a specially designated storm water management area and shall be maintained as such by the Association.

The Association shall also maintain, repair, and replace as needed the Subdivision entrance sign and fence initially constructed by Developer within the 25' wide buffer strip shown on the Plat, and the Association is hereby granted an easement within such buffer strip to facilitate such maintenance.

The Association shall collect assessments and make disbursements of proceeds and shall take appropriate disciplinary action concerning delinquent accounts. The Association shall be known as the GRACE MAGNOLIAS PROPERTY OWNERS ASSOCIATION, INC.

4.2 Board of Directors. The affairs of the Association shall be managed by the Board of Directors.

4.3 Composition and Term of Board of Directors. Until the Period of Developer Control ends, the Board of Directors of the Association shall be appointed exclusively by the Developer or the Developer's designee. Thereafter, the Board of Directors of the Association shall be elected for one (1) year terms by a simple majority of the votes that are cast by the Members of the Association who are present in person or by any person holding the written proxy of a Member at the annual meeting of Members, such election to be held and conducted in accordance with the By-Laws of the Association. Directors shall meet at least once during any twelve (12) calendar month time period. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

4.4 Association Memberships. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

ARTICLE 5

Assessment for the Maintenance and Improvement of Common Areas & Other Services

5.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed to such Owner's Lot, agrees to pay to the Association: (1) annual assessments or charges for maintenance and upkeep of Common Areas; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Developer shall at no time be responsible for the payment of any annual and special assessments or capital contributions. The annual and special assessments and capital contributions shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment shall be the personal obligation of the person who was the Owner of the applicable Lot at the time when the assessment fell due.

5.2 Maximum Annual Assessment. Until January 1, 2013, the maximum annual assessment shall be \$300.00 per Lot.

5.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Subdivision and, in particular, for the improvement and maintenance of Common Areas and related facilities devoted to this purpose, including, but not limited to electrical, water, taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

5.4 Basis of Annual Assessments. The Board of Directors of the Association, after consideration of current and projected maintenance costs and future needs of the Association, shall fix the annual assessment for each year.

5.5 Special Assessment for Capital Improvements. In addition to the annual assessments authorized by Subsection 5.3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area including the necessary fixtures and personal property related thereto, provided that any such assessment shall be approved by two-thirds (2/3) of the votes that can be cast by those members (however, in no event may more than one vote be cast for each Lot) present (either in person or by proxy) at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5.6 Capital Funds. As part of the annual assessment review process, the Board of Directors shall establish and provide for an adequate capital reserve fund to cover unforeseen costs and expenditures relative to possible repairs, replacements, modification or improvements to capital items such as but not limited to, fencing, street lights, wiring, irrigation sprinkler lines, sprinkler heads, distribution system, roads, holding ponds, streets and storm water drainage systems, extra landscape expenditures such as trees, shrubs, etc., and other items of a similar nature and character.

5.7 Date of Commencement of Annual Assessment Due Dates. The annual assessments provided for herein shall commence as to all Lots at such time as is fixed by the Board of Directors. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the first assessment and each annual assessment thereafter shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

5.8 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment payments not paid within thirty (30) days after the due date shall accelerate the due date of the entire assessment and shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Each such assessment, together with interest, costs and reasonable legal fees, in addition to giving rise to a lien against the subject property shall also be the personal obligation of the person (s) who is the Owner of such Lot at the time when the assessment becomes due.

5.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of the interest in any Lot shall not affect the assessment lien. However, the sale or transfer of the interest in any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such assessments as to payments for annual dues which became due prior to the year in which such sale or transfer takes place. No sale or

transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE 6

Easements

6.1 Easement for Ingress, Egress and Utility Purposes; Maintenance. The Developer hereby reserves, excepts, imposes, grants and creates a non-exclusive, perpetual easement to and on behalf of the Developer, the Association, the Owners, and their respective grantees, heirs and successors in interest, for drainage and utility purposes over, under and across that portion of the Plat designated as Common Areas. The Developer hereby reserves, excepts, imposes, grants and creates a non-exclusive, perpetual easement to and on behalf of the Developer, the Association, the Owners, and their respective grantees, heirs and successors in interest, for ingress and egress purposes over, under and across that portion of the Plat designated as streets and roads. The Association shall maintain this easement. Within this easement, no structure, planting or other material that may unreasonably interfere with the use and purpose of the easement shall be placed or permitted to remain. The Association shall maintain the roads and streets within the Subdivision until such time as the roads and streets are dedicated to and accepted by the governmental authority within whose jurisdiction those improvements lie. If during or after construction a Lot Owner, their agent, subcontractor or employee damages the roads or streets, that Lot Owner shall be responsible for adequately repairing that damage.

ARTICLE 7

General Provisions

7.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the land subject hereto, and shall inure to the benefit of and be enforceable by the Association and the Owner (s) of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term of thirty (30) years from the date hereof. During such initial term (subject to the provisions of Sections 7.3 and 7.8 herein), the covenants and restrictions of this Declaration may be amended or terminated only if signed by the then owners of Lots who are entitled to cast two-thirds (2/3) of the votes in the Association and properly recorded in the appropriate records of Baldwin County, Alabama. Upon expiration of said initial term, said covenants and restrictions (as amended, if amended) and the enforcement rights relative thereto, shall be automatically extended for one (1) successive period of thirty (30) years. During such thirty (30) year extension period, the covenants and restrictions of this Declaration maybe changed or terminated only (subject to the provisions of Sections 7.3 and 7.8 herein)by an instrument signed by the then owners of Lots who are entitled to cast a majority of the votes in the Association and properly recorded in the appropriate records of Baldwin County, Alabama.

7.2 Enforcement. The Developer, the Association or any Owner shall have the right to enforce the provisions set forth in this Declaration. The Association may impose reasonable fees for

continued non-compliance with this Declaration or any reasonable Association Rules and Regulations. Enforcement shall be by action of law or in equity against any person or persons violating or attempting to violate any of these provisions either to restrain the violation thereof or to recover damages from such violations. The party bringing such action or suit shall be entitled to recover, in addition to costs and disbursements allowed by Law, and in the event that he is the prevailing party, such sums as the Court may adjudge to be reasonable for the services of his attorneys. Any judgment in favor of the Association or a Lot Owner and against an Owner for attorney fees and costs resulting from enforcement of or violation of these covenants shall be a lien against the Lot(s) owned by such non-prevailing Owner, regardless of whether such Lot is the homestead of the Owner.

7.3 Amendments by Developer, Including Annexation of Additional Property; and Amendment by Owners. During the Period of Developer Control, the Developer may, from time to time, without the joinder or consent of any other party, amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of (a) correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, (b) facilitating FHA, VA, FNMA or similar financing of residential structures within the Subdivision, (c) reflecting changing or changed conditions in the residential lot market, and (d) effecting revisions that Developer deems advisable or appropriate; provided, however, no such amendment shall materially alter the general scheme of the Subdivision or materially adversely affect the vested property or other rights of any Owner or his mortgagee. Further, during the Period of Developer Control or anytime within ten (10) years after the expiration of such Period, Developer may, but shall not be obligated to, annex adjacent land into the Subdivision on such terms and conditions as the Developer deems appropriate by recording a supplement to this Declaration. If Developer does so annex additional land, the supplement shall cite the additional Plat(s), and this Declaration shall apply to the newly added Lots, Owners of such Lots, common areas that may be shown on such Plats, etc. as if originally included in the references in this Declaration. However, Developer shall have the unlimited right, in such supplement, to impose different, additional, and/or less restrictive covenants, conditions, requirements, etc. on the added Lots and to reserve rights, with respect to such added Lots and any common areas, as Developer may not have reserved in this Declaration.

7.4 Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

7.5 Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other words, clause, sentence or provision appearing in the Declaration shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, words, clause, sentence or provision shall be supplied by inference.

7.6 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed postage prepaid, to the last

known address of the person who appears as recorded owner of a Lot in the Subdivision at the time of such mailing.

7.7 Separability. Invalidation of any one or more of the covenants, restrictions, conditions or provisions contained in this Declaration, or any part thereof, shall in no manner affect any other covenants, restrictions, conditions or provisions hereof, which shall remain in full force and effect.

7.8 Adjacent or Nearby Land. Nothing in this Declaration shall be construed to limit Developer's right to develop, improve, or otherwise deal with adjacent or nearby land owned by Developer or any affiliate of Developer in such manner as the Developer or affiliate may choose, including access such adjacent or nearby land through the Subdivision.

7.9 Permanent Injunctive Relief. Any single violation of any use restrictions by an Owner shall constitute a continuing violation which shall allow the Association to seek permanent injunctive relief. Each Owner agrees that in any action filed by the Association seeking permanent injunction relief against an Owner for any alleged violations of the restrictive covenants, the Association shall not be required to file any bond. In no event shall a violation of these conditions, restrictions or covenants ever be interpreted to work a reverter or forfeiture of title.

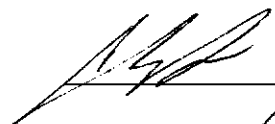
ARTICLE 8 No liability of Association

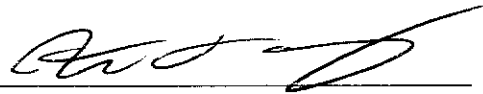
None of the Association, its officers, directors, or members; the Developer, its officers, directors, members, etc.; or the ARC or its members shall, in any way or manner, be held liable to any Owner or any other person or entity for failure to enforce any violation of the restrictions, conditions, covenants, reservations, liens or charges herein contained by any Owner.

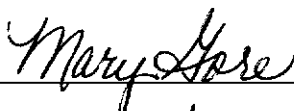
EXECUTED this 24th day of February, 2012.

Witnesses:

GRACE MAGNOLIAS, INC.
Developer


Print Name: Charlie Didson

By: 
Its: president


Print Name: MARY GORE

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Nathan L. Cox, whose name as President of GRACE MAGNOLIAS, INC., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as said officer, executed the same voluntarily on the day the same bears date for and as the act of said company.

GIVEN under my hand this _____ day of February, 2012.

Mary Dorgan Gore

NOTARY PUBLIC

My Commission Expires: June 13, 2015