BALDWIN COUNTY, ALABAMA
JUDGE ADRIAN T. JOHNS
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STATE OF ALABAMA
COUNTY OF BALDWIN

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR GARRISON RIDGE

This Declaration is made on the date hereinafter set forth by GARRISON RIDGE, LLC, an Alabama limited liability company (hereinafter sometimes called "Declarant").

RECITALS

Declarant is the owner of approximately forty-eight (48) acres of land (the "Property") located in Baldwin County, Alabama, and has obtained approval for development of such land into Garrison Ridge, a community of single-family homes consisting initially of 91 Lots and Common Property as shown on that certain plat (the "Plat") recorded at Slide No. 2388-B in the records of the Office of the Judge of Probate of Baldwin County, Alabama. Declarant desires to subject the Property to the provisions of this Declaration and to provide for the possible subjecting of other land to the provisions of this Declaration.

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

ARTICLE 1
DEFINITIONS

The following words, when used in this Declaration or in any supplementary Declaration, shall have the following meanings:

1.1 "Articles of Incorporation" means the Articles of Incorporation of Garrison Ridge Property Owners Association, Inc., recorded or to be in the records of the Office of the Judge of Probate of Baldwin County, Alabama and incorporated herein by this reference as may be amended from time to time, a copy of which is attached to this Declaration as Exhibit "A"

1.2 "Association" means Garrison Ridge Property Owners Association, Inc., an Alabama nonprofit corporation, its successors and assigns.

1.3 "Board of Directors" or "Board" means the appointed or elected body of the Association, vested with the authority to manage the affairs of the Association under the Alabama Nonprofit Corporation Act, Code of Alabama (1975), Section 10-3A-1, et seq.

1.4 "Bylaws" means the Bylaws of Garrison Ridge Property Owners Association, Inc., attached to this Declaration as "Exhibit "B" and incorporated herein by this reference as may be amended from time to time.

1.5 "Common Property" means any and all real and personal property, and the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners. The Common Property includes the areas shown as Common Areas Two, Three, Four and Five on the Plat, and any other property shown as "Common" or similar designation on the Plat or any future plat subjected to the provisions of this Declaration. The Common Property shall also include any improvements built on such Property by Declarant, including a pool, a clubhouse, and playground.

1.6 "Community" refers to the Property and such additional land as may be annexed into the Community by Supplementary Declaration as provided herein.

1.7 "Community-Wide Standard" means the standard of conduct, maintenance or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the

Association. Such determination, however, must be consistent with the Community-Wide Standard originally established by the Declarant.

1.8 "Declarant" means GARRISON RIDGE, LLC, and its successors-in-title and assigns, including, without limitation, Successor Declarant, as provided in Section 1.19 below.

1.9 "Lot" means any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes a single-family dwelling site as shown on the Plat or any future recorded plat the Lots on which are submitted to the provisions of this Declaration. The ownership of each Lot shall include, and there shall pass with the title to each Lot as an appurtenance thereto, whether or not separately described, all of the rights and interest of an Owner in the Common Property, as herein provided, together with membership in the Association.

1.10 "Mortgage" means any and all instruments used for the purpose of encumbering real property in the Community as security for the payment or satisfaction of an obligation, including, without limitation, any mortgage, deed to secure debt or deed of trust.

1.11 "Mortgagee" means the holder of a Mortgage.

1.12 "Occupant" means any person occupying all or any portion of a lot or other property located within the Community for any period of time, regardless of whether such person is a tenant or the Owner of such property.

1.13 "Owner" means the record owner, whether one or more persons, of the fee simple title to any lot located within the Community, excluding, however, any person holding such interest merely as security for the performance or satisfaction of any obligation.

1.14 "Period of Declarant Control" shall mean such period as commences with recording of this Declaration and ends on the first to occur of the following: (a) twenty-five (25) years after the recording of this Declaration; (b) when all Lots then included in the Community shall have been conveyed by Declarant, residences have been constructed on all of such Lots, and Declarant has not annexed any Potential Additional Land into the Community for a period often (10) years; or (c) when Declarant executes and records in the Baldwin County Probate Court real estate records a written termination of such Period.

1.15 "Person" includes any individual, individual acting in a fiduciary capacity, corporation, limited partnership, limited liability company, general

partnership, joint stock company, joint venture, association, company or other organization, recognized as a separate legal entity under Alabama law.

1.16 "Plat" means that certain plat recorded at Slide No. 2388-B in the records of the Office of the Judge of Probate of Baldwin County, Alabama.

1.17 "Property" means that certain property located in Baldwin County, Alabama, and shown on the Plat.

1.18 "Successor Declarant" means any person that Declarant may designate as "Successor Declarant" in a document executed by Declarant and recorded in the Office of the Judge of Probate of Baldwin County. Upon recordation of such designation, all references to Declarant in this Declaration and in the Bylaws shall then and thereafter be a reference to Successor Declarant, except to the extent as may be limited in such designation.

1.19 "Supplementary Declaration" means an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional covenants, conditions, restrictions or easements on the land described therein.

1.20 "Total Association Vote" means the votes attributable to the entire membership of the Association (including votes of Declarant) as of the record date for such action, whether or not such members are present or represented at the meeting, if any, where such votes are to be cast.

ARTICLE 2
PROPERTY SUBJECT TO THIS DECLARATION

2.1 Property Hereby Subjected to this Declaration. The real property which is, by the recording of this Declaration, subject to the covenants, conditions, restrictions and easements hereinafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and encumbered subject to this Declaration is the Property.

2.2 Annexation. Upon the written consent of: (a) the owner(s) thereof (b) the Declarant; and (c) the Owners of at least two-thirds of the Lots, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the records of the Office of the Judge of Probate of Baldwin County, Alabama, a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall be executed on behalf of the Association by the President of the Association whose signature shall be attested by the Secretary of the Association. The

annexation shall be effective only upon the filing for record of such Supplementary Declaration, unless a later effective date is provided therein.

ARTICLE 3
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall have a membership in the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more persons, shall have more than one membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. The rights and privileges of membership, including the right to hold office, may be exercised by a member or the spouse of a member, but in no event shall more than one office be held for each Lot owned. This section is not intended to prohibit the same individual from being both an officer and a director of the Association. Nothing in this section shall restrict the number of votes cast or the number of the officers and directors appointed by the Declarant.

3.2 Voting. Members shall be entitled to one vote for each Lot owned. When more than one person holds an ownership interest in a Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting or referendum. The vote attributable to a Lot shall be suspended in the event more than one person seeks to exercise it. The Board of Directors may suspend the voting rights of an Owner for any period during which any past due assessment against any Lot of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations.

3.3 Notice of Sale, Lease or Acquisition. Prior to the sale or lease of a Lot, the Owner shall provide the Association with written notice of the name of the purchaser or lessee, as the case may be, and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new Owner shall provide the Association with written notice of the name and mailing address of the Owner and such other information as the Board may reasonably require.

ARTICLE 4
ASSESSMENTS

4.1 Purpose of Assessments. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners of Lots, including,

without limitation, the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) general assessments; (b) special assessments; and (c) specific assessments. All such assessments, together with late charges in the amount of Ten Dollars ($10.00) or ten percent (10%) of the amount of each assessment or installment not paid when due and interest (at a rate set by the Board of Directors for time to time, but not to exceed the lesser of the maximum rate permitted by Alabama law or eighteen percent (18%) per year on the principal amount due) and costs of collection, including, without limitation, reasonable attorney's fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and shall be a continuing lien in favor of the Association on the Lot against which each assessment is made. The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each such assessment, together with such late charges, interest and costs, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of the grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings. Owners may not waive or otherwise exempt themselves from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of their Lots. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.3 General Assessments. The Board shall prepare a budget covering the estimated costs of operating the Association during the coming year. The Board shall cause the budget and the assessments to be levied against each Lot for the year to be delivered to each member at least thirty (30) days prior to the due date of any general assessment. The budget and the assessment shall become effective unless disapproved by Declarant during the Period of Declarant Control, or after such Period, at a meeting by a majority of the Total Association Vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for

any period, then and until such time as a budget shall have been determined, as provided herein, the budget in effect shall continue. General assessments shall be levied equally on all similarly situated Lots and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days written notice for delinquents. Unless otherwise provided by the Board, the assessment shall be paid in one annual installment. General assessments include any sums the Board determines necessary for the continued ownership, operation and maintenance of the Common Property, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the Board shall deem proper. General assessments may include, without limitation, sums for property taxes, insurance premiums, legal and accounting fees, management fees, charges for utilities, cleaning and janitor services, landscape maintenance, expenses and liabilities incurred as provided herein and in the Articles of Incorporation and Bylaws for indemnification of officers and directors and in connection with the enforcement of rights and duties of the Association against Owners and others.

4.4 Special Assessments. The Association may levy a special assessment if approved by the Declarant during the Period of Declarant Control, or, after such Period, two-thirds (2/3) of the Total Association Vote. Special assessments shall be paid as determined by the Board. The Board may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.5 Specific Assessments. The Board shall have the power to levy specific assessments against fewer than all Lots as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this section. Fines levied pursuant to this Declaration and the costs of maintenance performed by the Association for which the Owner is responsible shall be specific assessments. The Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefitted according to the benefit received; and (b) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

4.6 Subordination of Liens to Mortgages. The lien of all assessments authorized herein is hereby made subordinate to the lien of any first Mortgage placed on a Lot if, but only if, all assessments and charges with respect to such Lot

authorized herein having a due date on or prior to the date of the Mortgage as filed of record have been paid. The lien hereby subordinated is only such lien as relates to assessments and charges authorized hereunder having a due date subsequent to the date such mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such Mortgage or the sale or transfer of the Lot pursuant to any proceeding in lieu of foreclosure or the sale or transfer of the Lot pursuant to a sale under power contained in such Mortgager. Such subordination is merely a subordination and shall not relieve the Owner of the Lot of the personal obligation to pay all assessments coming due during such period of ownership; shall not relieve such Lot from the lien provided for herein (except to the extent a subordinated lien is extinguished as a result of such subordination as against a Mortgagee or such Mortgagee's assignee or transferee by foreclosure or by sale under power); and no sale or transfer of such Lot to the Mortgagee or to any other person pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure or pursuant to a sale under power, shall relieve any existing or previous Owner of such Lot of any personal obligation or relieve such Lot or the then Owner of such Lot from liability for any assessment authorized hereunder become due after such sale and transfer.

4.7 Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. In addition to the lien rights, the personal obligation of the then Owner to pay such assessments shall remain such Owner's personal obligation and shall also pass to such Owner's successors-in-title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such Owner was obligated to pay immediately preceding the transfer; and such Owner and such successors-in-title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and such successors-in-title creating any indemnification of the Owner or any relationship of principal and surety as between themselves. Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge equal to the sum of (a) the lesser of Ten Dollars ($10.00) or ten percent (10%) of the amount of each assessment or installment not paid when due, (b) interest (at a rate set by the Board of Directors from time to time, but not to exceed the lesser of the maximum rate permitted by Alabama law or eighteen percent (18%) per annum on the principal amount due), and (c)costs of collection, including, without limitation, reasonable attorney's fees actually incurred. The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that the assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. The Association may file a claim of lien with the Office of the Judge of Probate of Baldwin County, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments. Each Owner, by acceptance

of a deed vests in the Association the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Owners. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Association may also suspend, without further notice or hearing, the membership rights of the delinquent Owner, including the right to vote, the right of enjoyment in and to the Common Property and the right to receive and enjoy such servicing and other benefits as may then be provided by the Association. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of such suspension and shall not effect the permanent lien on such Lot in favor of the Association.

4.8 Date of Commencement of Assessments. Assessments shall commence when the Board of Directors first determines a budget and levies assessments. The assessments provided for herein shall commence as to a Lot on the day that such Lot is first conveyed by Declarant to an Owner. Declarant may designate any Lot(s) for use as a model home for marketing and sales purposes and as part of that designation may exempt such Lot(s) from assessments so long as such Lot is used as a model home and is not occupied for residential purposes and otherwise meets all conditions imposed by Declarant as part of such designation.

4.9 Budget Deficits During Declarant Control. During the Period of Declarant Control, Declarant may: (a) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the annual, special and specific assessments collected by the Association in any fiscal year (such advances shall be evidenced by promissory notes from the Association in favor of the Declarant); or (b) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for similar loans in the local areas of the Community. No Mortgage secured by the Common Property or any of the improvements maintained by the Association shall be given in connection with such loan.

4.10 Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

4.11 Estoppel Letter. The Association shall, within thirty (30) days after receiving a written request therefore and for a reasonable charge, as established by the Board, certify to the amount of any unpaid assessments constituting a lien on a specified Lot. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association.

ARTICLE 5
MAINTENANCE

5.1 Association's Responsibility. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement of all landscaping and improvements situated on the Common Property. The Association shall also maintain (whether or not constituting Common Property): (a) all Community entry features, including entry area landscaping and any irrigation system and the expenses for water and electricity, if any, provided to all such entry features; (b) all storm water detention/retention ponds, sediment ponds and storm water drainage facilities serving the Community to the extent the same are not maintained on an ongoing basis by a local governmental entity; (c) all Community greenbelt and any Park; (d) all Community recreational facilities and areas, if any; and (e) all private roadways serving the Community, if any, to the extent the same are not maintained on an ongoing basis by a local governmental entity. In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community and to enter into easement and covenant to share costs agreements regarding such property where the Board has determined that such action would benefit the Owners. In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Occupants, family, guests, lessees or invitees of an Owner, then the Association, may perform such maintenance, repair or replacement and all costs thereof, not paid for by insurance, shall be assessed against the Owner as a specific assessment. All maintenance by the Association shall be performed consistent with the Community-Wide Standard. The Association shall not be liable for injury or damage to person or property: (x) caused by the elements of an Owner or any other person; (y) resulting from rain or other surface water which may leak or flow from any portion of the Common Property; or (z) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair.

5.2 Owner's Responsibility. Except for maintenance performed on a Lot by the Association pursuant to Section 5.1, if any, all maintenance of the Lot and all structures, landscaping, and other improvements (including front walks, sidewalks, and landscaping) thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Community-Wide Standard and this Declaration. Such maintenance obligation shall include, without limitation the following: prompt removal of all litter, trash, refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, and exterior lighting in good repair and working order; keeping lawn and garden areas alive, free of weeds, and attractive; preserving and maintaining the portion of Undisturbed Buffer as shown on the recorded subdivision plats of the Community or any otherwise required buffer on a Lot, if any; keeping driveways in good repair; complying with all governmental health and police requirements; and repair of exterior damages to improvements. In the event that the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair or replacement and all costs thereof shall be assessed against the Owner and the Lot as a specific assessment. This provision shall not apply to any Lot(s) owned by the Declarant, unless improved with a dwelling and occupied as a residence.

5.3 Conveyance of Common Property by Declarant to Association: No Implied Rights. The Declarant may transfer or convey to the Association at any time and from time to time any personal property and any interest in improved or unimproved real property. Such conveyance shall be deemed to be accepted by the Association upon delivery of any personal property or upon recordation of an instrument of conveyance of any interest in real property, and the property shall thereafter be Common Property to be used and maintained by the Association for the benefit of its members. The Association hereby constitutes and appoints Declarant as its agent and attorney-in- fact to accept on behalf of the Association any such conveyance to the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds and transfer tax declaration forms, necessary or convenient to effectuate and document

any such conveyance to the Association. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise. The Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether or not any such property has been made available for the use of Owners. The Declarant may impose or reserve, by lease, license, easement or otherwise such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant may reasonably require so long as such imposition or reservation is not materially inconsistent with the overall scheme of development for the Community. Neither the recordation of any subdivision plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses, in the Association or the Owners, express or implied, unless and until any such property rights, easements or licenses are conveyed by the Declarant to the Association or the Owners, as the case may be, by an instrument recorded in the real estate records of the County where the property is located.

5.4 Partition. The Common Property shall remain undivided and no Owner shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not limited to, the Lots located within the Community.

5.5 Condemnation. In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining Common Property, unless within sixty (60) days after such taking, an alternative plan is approved by at least 75% of the Total Association Vote and the consent of Declarant. The provisions of this Declaration applicable to replacement or restoration of damaged improvements on the Common property shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.

5.6 Liability. Owners, occupants and their guests shall use and enjoy the Common Property, green space and any Park maintained by the Association at their own risk and shall assume sole responsibility for their personal belongings used or stored there. The Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for personal injury to any person, nor for loss or damage to personal belongings used or stored on any of the foregoing property. The Association shall not be liable for injury or damage to any person or property (a) caused by the elements or by an

Owner or any other person, (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, or (c) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner or occupant for loss or damage, by theft or otherwise, of any property of such Owner or occupant.

ARTICLE 6
ARCHITECTURAL STANDARDS

6.1 General. No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavating, grading, filling, construction of impervious surface, building, exterior alteration of existing improvements, change in the exterior color of any existing improvement and planting and removal of landscaping materials), shall be commenced or placed upon any part of the Community unless installed by the Declarant or an affiliate of the Declarant, approved in accordance with this Article, or otherwise expressly permitted under this Declaration. Any Owner may remodel, paint or redecorate the interior of structures on the Lot without approval hereunder. However, modifications to the interior of porches, patios and similar portions of a structure visible from outside the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. This Article shall not apply to the activities of the Declarant, affiliates of the Declarant, nor to improvements to the Common Property by or on behalf of the Association. This Article may not be amended without the written consent of the Declarant until each Lot has been improved with a dwelling for which a certificate of occupancy has been issued.

6.2 Architectural Covenants and Restrictions. Except as provided above, no exterior construction, addition or alteration shall be made unless and until plans and specifications shall have been submitted in writing to and approved by the Declarant or Declarant's designee. Declarant's initial designee is Donnie Clark, Andrew Crane and Don Adcock though Declarant may withdraw or change such designee by recording a written statement to such effect in the records of the Office of the Judge of Probate of Baldwin County, Alabama. Such plans and specifications shall be of sufficient detail to allow the Declarant to make its review and to the extent required by the Declarant shall show the nature, kind, shape, height, materials and location of the proposed improvement. Attached as Exhibit "C" are the initial Architectural Covenants and Restrictions ("the Architectural

Covenants"), which contain design and development guidelines and application and review procedures. The Declarant shall have sole and full authority to amend, from time to time at its sole discretion and without notice, the Architectural Covenants, and without limiting the foregoing general right to amend the Architectural Covenants, the Declarant specifically reserves the right to create one or more additional classes of Lots for purposes of minimum enclosed livable area. The Declarant shall, upon written request, make the then current Architectural Covenants available to Owners and builders who seek to engage in construction upon all or any portion of the Community and such Owners and builders shall conduct their operations strictly in accordance therewith. If the Declarant fails to approve or to disapprove submitted plans and specifications within thirty (30) days after receipt of all required plans and specifications, such approval shall be deemed to have been given. As a condition of approval under this Article, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance to and on any improvement, change, modification, addition or alteration. The Declarant shall be the sole arbiter of such plans and may withhold approval for any reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. The Declarant and its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property in the Community to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such persons shall not be deemed guilty of trespass by reason of such entry. If construction does not commence on a project for which plans have been approved within twelve (12) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the plans to the Declarant for reconsideration.

6.3 Limitation of Liability. Plans and specifications are not approved for engineering or structural design or quality of materials and by approving such plans and specifications, neither the Declarant nor its designee assumes any liability or responsibility therefore or for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Declarant's designee, the Association, nor the officers, directors, members, employees and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans and specifications and every Owner agrees that such Person or Owner will not bring any action or suit against Declarant, its designee, the Association or the officers, directors, members, employees and agents of any of them to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims,

demands and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

6.4 No Waiver. The approval of the Declarant of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval or consent of the Declarant, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications or drawings or matters whatever subsequently or additionally submitted for approval or consent.

6.5 Variances. Notwithstanding anything to the contrary contained herein, the Declarant shall be authorized to grant individual variances from any of the provisions of this Declaration and the Architectural Covenants if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations and would not be inconsistent with the overall scheme of development for the Community. No variance shall (a) be effective unless in writing, (b) be inconsistent with the overall scheme of development for the Community, or (c) prevent the Declarant from denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

6.6 Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Declarant, Owners shall, at their own cost and expense, remove such nonconforming structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Declarant and its agents shall have the right to enter the property, remove the nonconforming structure or improvement, and restore the property to substantially the same condition as previously existed. All costs, including, without limitation, attorney's fees, may be assessed against the Lot as a specific assessment. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Covenants may be excluded by the Declarant from the Community, subject to any applicable notice and hearing procedures contained in the Bylaws. In such event, neither the Declarant, the Association nor the officers, directors, members, employees and agents of any of them shall be held liable to any person for recording in the appropriate land records a notice of violation hereunder naming the violating Owner. In addition to the foregoing, the

Declarant shall have the authority and standing to pursue any and all remedies available at law and equity to enforce the provisions of this Article.

6.7 Architectural Review Board. Until each Lot has been improved with a dwelling for which a certificate of occupancy has been issued, the Declarant shall have the sole right, power and authority under this Article. There shall be no surrender of this right except in a written instrument in recordable form executed by Declarant and recorded in the records of the Office of the Judge of Probate of Baldwin County, Alabama. Upon expiration or earlier surrender in writing of all or a portion of such right and authority, the Board of Directors shall appoint an Architectural Review Board of the Association, which shall then have such jurisdiction over architectural control under this Article as may have been relinquished by the Declarant. The Declarant may in its sole discretion relinquish architectural control as to certain types of improvements or modifications to the Architectural Review Board while retaining control over all other building and construction in the Community. For example and without limitation, the Declarant may relinquish control over modifications of existing structures to the Architectural Review Board while retaining all authority to review and approve new home construction. Any right, power or authority of the Declarant which may be relinquished to the Association prior to the termination of the rights of Declarant hereunder shall be by written recorded instrument only and no such right, power or authority shall be relinquished by implication or otherwise. The establishment of an advisory Architectural Review Board shall not be deemed to be a relinquishment by Declarant of any of its right, power and authority hereunder. After the termination of all rights of Declarant hereunder, the Architectural Review Board shall have all right, power and authority to review and approve building and construction activity within the Community hereunder and this Article shall then be read and interpreted as if any reference to the Declarant in this Article 6 were a reference to the Architectural Review Board.

6.8 Construction Progress. Once construction on any Lot commences, the Owner thereof shall proceed to complete such construction with reasonable dispatch and in no event, subject only to weather events not within such Owner's control, shall such construction take more than eighteen (18) months.

ARTICLE 7
USE RESTRICTIONS AND RULES

7.1 Rules and Regulations. The Board of Directors may, from time to time, with the consent of Declarant and without a vote of the members, promulgate, modify or delete rules and regulations applicable to the Community. Such rules and regulations shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and

occupants until and unless overruled, canceled or modified by the Declarant during the Period of Declarant Control, or after such Period, by a majority of the Total Association Vote and the consent of Declarant.

7.2 Residential Use. Each Lot shall be used for residential purposes exclusively. Leasing of a Lot for residential occupancy shall not be considered a business or business activity. No trade or business of any kind may be conducted in or from a Lot, except that the Owner or occupant in residence at the Lot may conduct business activities within the house so long as the business activity: (a) does not otherwise violate the provisions of the Declaration or Bylaws; (b) is not apparent from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements for the Community; (e) does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Community; (g) does not constitute a nuisance or a hazardous or offensive use; and (h) does not threaten the security or safety of other residents of the Community, all as may be determined by each case in the sole discretion of the Board of Directors. The Board may issue rules regarding permitted business activities. The terms "business" and "trade" as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) the activity is engaged in full or part-time; (y) the activity is intended to or does generate a profit; or (z) a license is required for the activity.

7.3 Signs. No sign of any kind shall be erected within the Community without the prior written consent of the Declarant or, after the termination of the rights of Declarant hereunder, the Architectural Review Board. Notwithstanding the foregoing, the Board and the Declarant shall have the right to erect reasonable and appropriate signs. For-Sale signs and security signs consistent with the Community-Wide Standard and any signs required by legal proceedings may be erected upon any Lot. The provisions of this section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure. The Board may impose a fine of One Hundred and Fifty and no/I 00 Dollars ($150.00) for display of any sign in violation of this provision which is not removed within twenty-four hours after written demand is delivered to the Owner at that Lot. Sign prohibitions shall not apply to Declarant.

7.4 Vehicles Parking. Vehicles shall be parked only in appropriate parking spaces serving the Lot or other designated areas, if any. All parking shall

be subject to such rules and regulations as the Board may adopt. The term "vehicles", as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, mini-bikes, scooters, go-carts, golf carts, trucks, campers, buses, vans and automobiles. The term "commercial vehicles" as used herein, shall include, without limitation, any vehicle which bears any indicia of commercial use, including, but not limited to, writing, logos, or which would not be primarily used for the transportation of passengers. The term "parking areas" shall refer to the number of garage parking spaces and if and only if, the occupants of a Lot have more vehicles than the number of garage parking spaces, those excess vehicles which are an occupant's primary means of transportation on a regular basis may be parked on the driveway on the Lot. All homes shall contain a garage; carports shall not be permitted. Garage doors should be kept closed at all times, except during times of ingress and egress from the garage. No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle may be removed from the Community by the Board of Directors. Any towed vehicle, boat, personal water craft, recreational vehicle, motor home, trailer, motorcycle, mini-bike, scooter, go-cart, camper, bus or mobile home regularly stored in the Community or temporarily kept in the Community, except if kept in a garage or other area designated by the Board, for periods longer than 48 hours may be removed from the Community by the Board of Directors. Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. Commercial vehicles shall not be permitted on any Common Property or any Lot, except if kept in an enclosed garage; provided construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Property.

7.5 Leasing. Homes in the community may be leased for residential purposes. Unless otherwise provided by the Board of Directors, all leases shall have a minimum term of at least six months. All leases shall require, without limitation, that the occupants acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions and rules and regulations of the Association. The lease shall also obligate the occupants to comply with the foregoing.

7.6 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets in reasonable number as determined by the Board. No exterior pens for household pets shall be erected or maintained on any Lot unless approved in accordance with the provisions of Article 6 hereof. No

animals shall be kept for commercial purposes nor be allowed to create or cause any disturbance or nuisance of any kind. If any pet does cause or create a nuisance or an unreasonable disturbance, said animal shall be permanently removed from the Community within three (3) days from the day the Owner receives the written notice from the Declarant or the Association. The owner of any pet must at all times while the pet is outside maintain hand leash and immediate control over such Owner's pet and shall promptly clean up after any mess made by such pet. Dogs are allowed outside without hand-leash control when constrained by any permitted fence or by a so- called "invisible fence". The owner of any pet shall be liable for any and all damage caused by such animal to any property within the Community. Dogs may be walked only in areas designated by the Declarant or the Association.

7.7 Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on a Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property within the Community. No plants, animals, device or thing of any sort shall be maintained in the Community whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Community by other Owners and occupants. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot. This provision shall not apply to any Lot(s) owned by the Declarant.

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

7.9 Antennae. No exterior antenna, receiving dish or similar apparatus of any kind for receiving or transmitting of radio or video signals shall be placed, allowed or maintained upon any portion of the Community, including any Lot, unless approved in accordance with the provisions of Article 6 hereof or unless an

acceptable quality signal cannot otherwise be obtained; provided, however, no such approval shall be necessary to install a satellite dish having a diameter of one (1) meter or less in diameter or diagonal measurement provided the same is installed on the rear of the dwelling.

7.10 Tree Removal. No trees that are more than four (4) inches in diameter at a point twelve (12) inches above the ground and no ornamental or flowering trees, including, but not limited to, dogwood trees, cottonwood trees, cherry trees or apple trees, regardless of diameter, shall be removed without the prior written consent of the approving authority under Article 6 hereof. Owners shall also comply with any local ordinance applicable to tree removal. In the event of a conflict between the provisions of this section and any local ordinance, the more restrictive provision shall govern. This provision shall not apply to the removal of trees by the Declarant or to the removal of pine trees.

7.11 Drainage. Catch basins, retention ponds, detention ponds and drainage easement areas are for the purpose of controlling the natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner may obstruct or alter the drainage flows after location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains without approval in accordance with the provisions of Article 6 hereof.

7.12 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, shrub or other planting or thing shall be placed or permitted to remain where, in the opinion of the Board, it would create an unsafe condition.

7.13 Garbage Cans, Woodpiles, etc. All garbage cans, woodpiles, swimming pool pumps, filters and related equipment, and other similar items shall be located or screened so as to be concealed from view from neighboring streets and property. All rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate. Trash, garbage, debris or other waste matter of any kind may not be burned within the Community, except by Declarant during the original construction of a residence on a Lot.

7.14 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval in accordance with the provisions of Article 6 hereof. Declarant, however, hereby expressly reserves the right to subdivide and/or revise and re-record the subdivision plat of any Lot(s) with the consent of the Owner of the affected Lot(s) and to approve the revision and re-recording of any plat of any Lot(s) owned by any builder or developer, including, but not limited to, changing any Lot to Common Property or creating a public or

private street over any Lot or property that was formerly a Lot, without the consent of any person, other than the Owner(s) of such Lot(s).

7.15 Firearms. The use of firearms in the Community is prohibited. The term "firearms" includes, without limitation, B-B guns and pellet guns.

7.16 Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed or maintained upon any Lot without prior written approval in accordance with the provisions of Article 6 hereof. Guidelines detailing acceptable fence styles or specifications may be issued pursuant to Article 6, but in no event may a chain link or barbed wire fence be approved; provided, however, the Declarant and the Association may erect any type of fence on the Common Property or elsewhere within the Community as they may deem appropriate or as necessary to satisfy the requirements of any law, regulation or governmental entity or for health and safety of Owners and occupants.

7.17 Utility Lines. Except as may be permitted under and pursuant to Article 6 hereof, no overhead utility lines, including lines for cable television, shall be installed within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

7.18 Air-Conditioning Units. No window air conditioning units may be installed.

7.19 Lighting. Exterior lighting on any Lot visible from the street shall not be permitted, except for: (a) approved lighting as originally installed on a Lot; (b) one decorative post light; (c) street lights in conformity with an established street lighting program for the Community; (d) seasonal decorative lights; (e) front house illumination of model homes; or (f) other lighting approved under and pursuant to Article 6 hereof.

7.20 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags and similar items must be approved under and pursuant to Article 6 hereof.

7.21 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless as an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Declarant or the Architectural Review Board as the case may be in accordance with the provisions of Article 6 hereof.

7.22 Swimming Pools. No swimming pool shall be constructed, erected or maintained upon any Lot without prior written approval in accordance with the provisions of Article 6 hereof and in no event shall any above-ground swimming pool be permitted.

7.23 Gardens, Play Equipment and Garden Pools. No vegetable garden, hammock, play equipment (including, without limitation, basketball goals) or garden pools shall be erected or maintained upon any Lot without prior written approval in accordance with the provisions of Article 6 hereof.

7.24 Mailboxes. All mailboxes serving Lots shall be approved in accordance with the provisions of Article 6 hereof. Identical replacement mailboxes may be installed without further approval; but no modification to or change in mailboxes may be made unless approved in accordance with the provisions of Article 6 hereof.

7.25 Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot.

7.26 Window Treatments. No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades or for any other purpose. The side of all window treatments which can be seen at any time from the outside of any structure located on a Lot must be white or off-white.

7.27 Entry Features. Owners shall not alter, remove or add improvements to any entry feature or fencing constructed or erected by the Declarant or the Association on any Lot, or any part of any easement area associated therewith without prior approval in accordance with the provisions of Article 6 hereof.

7.28 Wetlands. No Owner shall place fill in or excavate soil from any wetland areas, except that the Owner of a Lot may, subject to prior written approval by Declarant, construct a pile-supported walkway in a wetland area on such Lot provided that such walkway's width is no greater than five feet and its height is at least as great as its width; the foregoing sentence may not be amended except with the approval of the Alabama Department of Environmental Management and any other governmental entity having jurisdiction.

7.29 National Pollutant Discharge Elimination System Permit. The Owner of each Lot shall, with respect to construction or other land-disturbance activity on such Lot, be responsible for taking such measures as are required by any applicable Alabama Department of Environmental Management ("ADEM") National Pollutant Discharge Elimination System Permit (the Permit') and/or by applicable laws and regulations related to preventing sediment or other pollutants

and storm water run-off from leaving the construction site or associated areas. Immediate measures to control sedimentation include use of silt fences, staked hay bale rows, netting or mesh, rock filter check dams, etc. If necessary, small catch basins should be constructed to control sediment run-off. Immediate measures to control erosion include applying hay mulch, seeding with temporary grass mix, hydro-seeding, reducing slopes, netting or mesh, cover with gravel or rock, etc. Long-term measures such as proper grading and permanent re-vegetation should be done as soon as possible. Each Owner shall indemnify and hold Declarant harmless from such Owner's failure to take such measures. If required by applicable regulations or if requested by Declarant, each Owner shall obtain a separate NPDES Permit for such Owner's Lot. Declarant is not responsible or liable to any Lot Owner for any drainage, storm water discharge, etc., whether within or outside the confines of any easement areas, streets, or Lots or anywhere else. Should ADEM or other authorities assess a fine or require correction action with respect to the matters assigned to any Owner under this paragraph, such Owner shall be responsible for the payment of such fine and/or the implementation of such correction action, and if such Owner should fail to pay such fine and/or implement such corrective action, Declarant may, but shall not be obligated to, pay such fine and/or implement such action on behalf of such Owner, without any liability on the part of Declarant to such Owner, and Owner shall reimburse Declarant the cost thereof, plus an administrative fee equal to 25% of such costs, plus interest at the rate of 12% per year until paid.

ARTICLE 8
INSURANCE AND CASUALTY LOSSES

8.1 Insurance on Common Property. The Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable to the Community. Accordingly, the Board of Directors shall obtain casualty insurance for all insurable improvements, whether or not located on the Common Property, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars ($1,000,000.00). Policies may contain a reasonable deductible as

determined by the Board of Directors. In addition to the other insurance required by this section, the Board of Directors shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the policy is in force or any lesser amount of fidelity coverage allowable under the applicable Fannie Mae guidelines. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association.

8.2 Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry all-risk casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy, if reasonably available and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The policies required hereunder shall be in effect at all times.

8.3 Damage and Destruction — Insured by Association. Not later than ninety (90) days after damage or destruction by fire or other casualty to any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within 120 days after the casualty, a proposal not to repair or reconstruct such property is approved by the Declarant during the Period of Declarant Control, or, after such Period, by at least seventy-five percent (75%) of the Total Association Vote and the Declarant. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such

period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one hundred eighty (180) days. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members of the Association, levy a special assessment against the Owner of each Lot. Additional assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall thereafter be maintained by the Association in a neat and attractive condition.

8.4 Damage and Destruction - Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within ninety (90) days after such damage or destruction or, where repairs cannot be completed within ninety (90) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within ninety (90) days after such damage or destruction.

ARTICLE 9
MORTGAGEE PROVISIONS

9.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder"), will be entitled to timely written notice of: (a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder; (b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days; and (c) any lapse,

cancellation, or material modification of any insurance policy maintained by the Association.

9.2 Audit. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements of the Association within ninety (90) days of the date of the request.

9.3 No Priority. No provision of this Declaration or the Bylaws gives any Owner or other party priority over any rights of a Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

ARTICLE 10
EASEMENTS

10.1 General. Each Lot shall be subject to those easements, if any, shown or set forth on the recorded subdivision plat(s) for the Community, as amended from time to time as well as the easements now or hereafter established by the Declarant in this Declaration or by any other documents recorded in the Office of Judge or Probate of Baldwin County, Alabama.

10.2 Easements for Use and Enjoyment. Every Owner shall have a right and easement of ingress and egress, use and enjoyment by the Owner and the Occupants of the Owner's Lot in and to the Common Property which shall be appurtenant to and shall pass with the title to each Lot, subject to the following:

(a) the right of the Association to suspend the right of an Owner to use the Community recreational facilities, if any, for any period during which any past due assessment against any Lot of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations;

(b) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon and, upon the affirmative vote of the Owners of at least two-thirds (2/3) of the Lots (other than Declarant) and the consent of Declarant, to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant or any Owner or the holder of any Mortgage encumbering any Lot or

other property located within the Community. (Regardless of any contrary provision in this Declaration or in any such Mortgage given by the Association, the exercise of any rights by the holder of such Mortgage in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant or any Owner or the holder of any Mortgage encumbering any Lot or other property located within the Community.);

(c) the right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Property;

(d) the right of the Association to dedicate or transfer all or any portion of the Common Property upon the approval of the Owners of at least two-thirds (2/3) of the Lots (other than Declarant) and the Declarant;

(e) all other rights of the Association, the Declarant, Owners and Occupants set forth in this Declaration or in any deed conveying Common Property to the Association; and

(f) all encumbrances and other matters shown by the public records affecting title to the Common Property.

10.3 Easements for Utilities. There is hereby reserved to the Declarant and granted to the Association a blanket easement upon, across, above and under all property within the Community for access, ingress, egress, installation, alteration, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Declarant or the Association might decide to have installed to serve the Community. Declarant, the Association or the designee of either, as the case may be, may alter drainage and water flow, install, repair, replace and maintain or authorize the installation, repairing, replacing and maintaining of such wires, conduits, cables and other equipment related to the providing of any utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant or the Board shall have the right to grant such easement.

10.4 Easement for Emergency Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this

Declaration, any Supplemental Declaration, Bylaws, and rules, which right may be exercised by any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in an emergency situation and in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Association, but shall not authorize entry into any single family dwelling without permission of the Owner.

10.5 Easement for Maintenance. Declarant hereby grants to the Association a perpetual easement across the exterior portions of all Lots as may be reasonably necessary for the maintenance required hereunder. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Lots, reasonable steps shall be taken to protect such property and damage shall be repaired by the Association or its contractors at their sole expense.

10.6 Easement for Entry Features. There is hereby reserved to the Declarant and granted to the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features for the Community, over and upon any portion of a Lot containing such entry features as may be more fully described on a recorded subdivision plat for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around entry features and the right to grade the land under and around the same.

10.7 Easement for Drainage. There is hereby reserved to the Declarant and granted to the Association a blanket easement across all Lots for creating and maintaining satisfactory storm water drainage in the Community; provided, however, such easement area shall not include any portion of a Lot within the outer perimeter of the dwelling structure. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. It is anticipated that increased storm water run-off across downstream Lots will result from the construction of impervious surface on Lots. Neither the Declarant, the Association nor any builder or Owner constructing according to plans and specifications approved under Article 6 hereof shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction on a Lot.

10.8 Easement During Construction and Sale Period. Notwithstanding any provisions now or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, Architectural Covenants, and amendments thereto, Declarant reserves an easement across the Community for Declarant to maintain and carry on, upon such portion of the Community as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required or convenient for Declarant's development, construction and sales activities related to property hereby and hereafter subjected to this Declaration or nearby property being developed by Declarant including, but not limited to: the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; the right to tie into any portion of the Community with streets, driveways, paths, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to grant easements over, under, in or on the Community, including without limitation the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to convert Lots (with the consent of the Owner thereof) to Common Property and/or streets; the right to construct recreational facilities, utilities and other improvements on Common Property; the right to carry on sales and promotional activities in the Community; and the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Declarant may use residences, offices or other buildings owned or leased by Declarant as model residences and sales offices without charge. This Section shall not be amended without the Declarant's written consent until the Declarant's rights hereunder have terminated as herein provided.

ARTICLE 11
GENERAL PROVISIONS

11.1 Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws, rules and regulations and use restrictions, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the recorded subdivision plats for the Community and in the deed to such Owner's Lot, if any. The Board of Directors may impose fines or other sanctions for violations of the foregoing, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the

Association, the Declarant or an aggrieved Owner. Failure by the Declarant, the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions or Architectural Covenants and to assess the cost of recording and removing such notice against the Lot of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

11.2 Occupants Bound. All provisions of the Declaration, Bylaws, rules and regulations, use restrictions and the Architectural Covenants which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants and the guests and invites of Owners and Occupants. The Owner shall be responsible for insuring that the Occupants, the guests, invites and licensees of the Owner and Occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations, use restrictions and the Architectural Covenants. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not timely paid, the fine may then be levied against the Owner.

11.3 Self-Help. In addition to any other remedies provided for herein, the Association, the Declarant, the Architectural Review Board or their respective duly authorized agents shall have the power to enter upon any Lot or any other portion of the Community to abate or remove any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations or the use restrictions. Unless an emergency situation exists, the violating Owner shall be given ten (10) days written notice of the intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required by law. All costs of self-help, including, without limitation, reasonable attorney's fees actually incurred, shall be assessed against the violating Owner as a specific assessment.

11.4 Duration. The covenants, conditions, restrictions and easements contained in this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that, Alabama law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision(s) shall be (a) automatically extended for successive periods of twenty (20) years (or the maximum period allowed by applicable law, if less), unless a written instrument signed by the then Owners of at least two-thirds (2/3)

of the Lots has been recorded within the year immediately preceding the beginning of a twenty (20) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein; or (b) extended, renewed, modified or terminated as otherwise provided herein or by applicable law.

11.5 Termination of Rights of Declarant. The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earliest of: (a) the date that is twenty-five (25) years after the recording of this Declaration; (b) when all Lots then included in the Community shall have been conveyed by Declarant, residences have been constructed on all of such Lots, and Declarant has not annexed any Potential Additional Land into the Community for a period of ten (10) years; or (c) the date of recording by Declarant in the real estate records of Baldwin County a written instrument terminating all of Declarant's rights hereunder.

11.6 Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company, including, without limitation, the U.S. Department of Housing and Urban Development and the U. S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner of such lot consents thereto in writing. Further, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owners hereunder, as Declarant shall determine in its good faith judgment, nor shall it adversely affect title to any Lot without the consent of the affected Owner. In addition to the above, this Declaration may be amended upon the affirmative vote or written consent of the Owners of at least two-thirds (2/3) of the Lots then subject to this Declaration and the consent of Declarant, which such consent shall be a prerequisite for any amendment unless and until Declarant relinquishes such power by a signed, recorded release. Amendments to this Declaration shall

become effective upon recordation unless a later effective date is specified therein. The consent of the Declarant to any amendment shall be evidenced by the execution of said amendment by Declarant. The consent of the requisite number of Owners to any amendment shall be evidenced by the execution of the amendment by said Owners, or, in the alternative, the sworn statement of the President or any Vice President or the Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Owners was obtained and that any notices required by this Declaration, the Bylaws, the Articles of Incorporation and Alabama law were given.

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

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

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

11.10 No Merger. There shall be no merger of any of the covenants, conditions, restrictions or easements created or reserved hereby with the fee estate of Declarant, by reason of the fact that Declarant may own or hold the estate or interest both encumbered and benefitted by such covenants, conditions, restrictions or easements and no such merger shall occur unless and until Declarant, while owning all of the estate or interests shall execute a written statement or instrument affecting such merger and shall duly record the same.

11.11 Notices. Notices provided for in this Declaration or the Articles or Bylaws shall be in writing, and shall be addressed to an Owner at the address of the Lot and to the Declarant, or the Association at the address of their respective registered agent in the State of Alabama. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person,

including delivery by Federal Express or other reputable courier service. The time period in which a response to any such Notice must be given or any action taken with respect thereto, shall commence to run from the date of personal delivery or receipt on the return receipt of the Notice by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice was given shall be deemed to be receipt of the Notice sent.

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

11.13 No Discrimination. No action shall be taken by the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

11.14 Indemnification. To the fullest extent allowed by the Alabama Nonprofit Corporation Act, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorney's fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members 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 indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

11.15 Agreements. Subject to the prior approval of Declarant all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors,

shall be binding upon all Owners, their heirs, legal representatives, successors, assigns and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

11.16 Variances. Notwithstanding anything to the contrary contained herein but subject to receiving the Declarant's prior written approval, the Board of Directors shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto, if it determines that waiver of application or enforcement of the provision in a particular case is warranted and would not be inconsistent with the overall scheme of development for the Community.

11.17 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by the Declarant during the Period of Declarant Control, or, after such Period, by at least seventy-five percent (75%) of the Total Association Vote. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made unilaterally by the Declarant as provided herein or is approved by the percentage votes necessary to institute proceedings as provided above.

IN WITNESS WHEREOF, the Declarant herein hereby executes this instrument under seal, this 15th ~~day~~ of April, 2008.

GARRISON RIDGE, LLC, an Alabama limited liability company

By: _____

As its: Member/Manager

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned Notary Public, in and for said County in the said State, do hereby certify that Andrew J. Crane, whose name as Member/Manager of GARRISON RIDGE, LLC, an Alabama limited liability company, is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of the said conveyance, he, as said officer and with full authority, executed the same voluntarily for and as the act of the said corporation on the day the same bears date.

Given under my hand and official seal on this 15th day of April, 2008.

Jessica R. Phelps
NOTARY PUBLIC
My commission expires: 6-26-2010

THIS INSTRUMENT PREPARED BY:
Crane Legal, PC
2607 Dauphin St. Ste. C
Mobile, AL 36606
(251) 479-5218

Exhibit "A" to the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Garrison Ridge

Exhibit "A" to the
Declaration of Protective Covenants, Conditions, Restrictions and Easements
for Garrison Ridge
* * * * * * * * *** * ** * * * * * * * * * *********** * * * * * * ** **** ** * * ************

ARTICLES OF INCORPORATION

OF

GARRISON RIDGE PROPERTY OWNERS ASSOCIATION, INC.

(Under the Alabama Non-Profit Corporation Act)

ARTICLES OF INCORPORATION
OF
GARRISON RIDGE
PROPERTY OWNERS ASSOCIATION, INC.

(Under the Alabama Non-Profit Corporation Act)

KNOW ALL MEN by these ARTICLES OF INCORPORATION, executed and filed with the office of the Judge of Probate of Baldwin County, Alabama, by the undersigned GARRISON RIDGE, LLC, an Alabama limited liability company, who does by executing and filing these Articles form a Non-Profit Corporation under and in accordance with the Alabama Non-Profit Corporation Act (hereinafter sometimes called 'Act"), Code of Alabama (1975) as amended (hereinafter sometimes called "Code"), Title 10, Chapter 3A, Sections 10-3A-l through l0-3A-225, and all other applicable laws in effect now or at any time hereafter during the existence of this Non-Profit Corporation, and that to said end the undersigned does elect, declare and certify as follows:

ARTICLE I
NAME

The name of the Corporation is GARRISON RIDGE PROPERTY OWNERS ASSOCIATION, INC. (hereinafter sometimes called "Corporation").

ARTICLE II
REGISTERED AGENT

The initial registered agent and initial registered office of the Corporation shall be:

Donnie Clark — 8042 Lake Blvd.
Spanish Fort, AL 36527

ARTICLE III
DURATION

The duration of the Corporation shall be perpetual.

ARTICLE IV
PURPOSE

The purpose for which the Corporation is formed is to carry out the functions assigned to it in that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for GARRISON RIDGE (hereinafter called 'the Declaration"), recorded at Instrument Number 1110950 in the records of the office of the Judge of Probate of Baldwin County and to do such other lawful things as the Corporation may elect consistent with the Act. Terms that are capitalized in these Articles shall have the meaning ascribed to them in the Declaration or in the Bylaws unless the context clearly requires otherwise.

ARTICLE V
MEMBERS

The Corporation shall have one class of members as set forth in the Declaration and the Bylaws.

ARTICLE VI
BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of Directors consisting, initially, of four (4) persons (hereinafter called Directors) as more particularly provided in the Bylaws during the Period of Declarant Control, all Directors shall be appointed by the Declarant.

ARTICLE VII
INITIAL DIRECTORS

The Initial Board of Directors and the address of each such Director are as follows:

Donnie Clark	8042 Lake Blvd. Spanish Fort, AL 36527
W. M. Platt	11141 Hwy 31, Ste. C Spanish Fort, AL 36527
Andrew J. Crane	2607 Dauphin St. Ste. C Mobile, AL 36606
Don Adcock	114 Majors Run Fairhope, AL 36532

ARTICLE VIII
OFFICERS

The officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer, and such other officers as may be determined by the Board of Directors. The initial officers shall be:

W. M. Platt	President
Donnie Clark	Vice President
Andrew J. crane legal	Secretary
Don Adcock	Treasurer

ARTICLE IX
ORIGINAL INCORPORATOR

The Original Incorporator is GARRISON RIDGE, LLC, and its address is 8042 Lake Blvd., Spanish Fort, AL 36527.

ARTICLE X
INDEMNITY

As partial inducement to the Directors and officers of the Corporation to accept such positions, the Corporation is and shall henceforth be obligated to

indemnify and hold harmless all Directors and officers of the Corporation, whether or not their terms shall have expired, of and from any loss, expense, and liability or claimed liability of every kind whatsoever which they may at any time pay or incur as a direct or indirect consequence of any actions taken or omitted or alleged to have been taken or omitted by the Corporation, by other Directors or officers or by themselves as such Directors and officers, excepting only such as may be paid or incurred in relation to matters as to which they, respectively, shall be adjudged by action, suit or proceeding to be liable for negligence or misconduct in the performance of their duties for the Corporation. Such indemnification shall be cumulative and not exclusive of any other rights to which the Directors or officers may be entitled under any bylaws, agreements, corporate actions or otherwise.

ARTICLE XI
LIABILITY OF DIRECTORS

To the fullest extent that the Alabama Nonprofit Corporation Code, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Association with reference to any event or events preceding or state of facts existing at the time of such repeal or modification.

ARTICLE XII
BYLAWS

The initial Board of Directors has adopted Bylaws, in the form attached to the Declaration as Exhibit "B".

ARTICLE XIII
NON-DIVERSION OF ASSETS

The Corporation shall not have or issue shares of stock. No dividend shall be paid and no part of the income of the Corporation shall be distributed to its Members, Directors or officers as such. The Corporation may reimburse any party

for any reasonable expenses incurred on behalf of the Corporation or in the carrying on of its business. The Corporation may, pursuant to approval by the Board of Directors, pay compensation in a reasonable amount to its officers, agents or employees for services rendered.

ARTICLE XIV
POWERS AND LIMITATIONS

In addition to all the lawful powers expressly or impliedly derived by the Corporation from these Articles, the Corporation and its officers and Directors shall have all such powers as are provided under and by the Alabama Non-Profit Corporation Act (excepting the powers stated in subsections (6) and (13) of Code, Title 10, Section 10-3A-12); and, such other rights and powers consistent with the purposes and limitations of the Corporation as shall be conferred by all other laws and regulations. However, notwithstanding anything to the contrary stated or implied in these Articles or permitted by applicable laws, the Corporation shall at all times be operated exclusively for fraternal, social, recreational and other non-profitable purposes, and no part of the net earnings of same may inure to the benefit of any member. Matters not covered by the provisions of these Articles, or the Bylaws, or the Alabama Non-Profit Corporation Act or other laws shall be governed by any applicable rules of Roberts Rules of Order.

ARTICLE XV
DISSOLUTION

In the event of the dissolution of the Corporation and the discontinuance of its functions, the assets shall be disposed of as required by Code, Title 10, Section 10-3A-141.

IN WITNESS WHEREOF AND IN CERTIFICATION OF WHICH, the undersigned has hereunto set his hand effective the 15th day of April, 2008.

GARRISON RIDGE, LLC,
an Alabama limited liability company

By: _____

As its: Member/Manager

THIS INSTRUMENT PREPARED BY:
Crane Legal, PC
2607 Dauphin St. Ste. C
Mobile, AL 36606

Exhibit "B"

to the

Declaration of Protective Covenants, Conditions, Restrictions and Easements for Garrison Ridge

BYLAWS

OF

GARRISON RIDGE

PROPERTY OWNERS ASSOCIATION, INC.

BYLAWS
OF
GARRISON RIDGE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1
NAME, MEMBERSHIP, APPLICABILITY AND DEFINITIONS

1.1 Name

The name of the corporation shall be GARRISON RIDGE PROPERTY OWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as the "Association").

1.2 Membership

The Association shall have one class of membership, as is more fully set forth in that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for GARRISON RIDGE (such Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 Definitions

The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE 2
ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

2.1 Place of Meetings

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

2.2 Annual Meetings

There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting.

2.3 Special Meetings

The President of the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 Record Date

The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 Notice of Meetings

It shall be the duty of the Secretary to mail or to cause to be delivered to the Lot of each member (as shown in the records of the Association as of the record date) a notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and if and to the extent required by the Alabama Nonprofit Corporation Act, or other applicable law (the "Governing Law"), the purpose(s) thereof. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days before the meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice

Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, signed by the member, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings

If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List

After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney at the Association's principal office or at such other reasonable place as may be specified in the notice. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.9 Voting

The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies

At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon:

(a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary of written revocation signed by the member; (c) receipt by the Secretary of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

2.11 Quorum

The presence, in person or by proxy, of members entitled to cast at least twenty-five percent (25%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action Without a Formal Meeting

Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in writing, setting forth the action so taken, shall be signed and dated by all members and the Declarant if the consent of the Declarant is required at such time.

ARTICLE 3
BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

3.1 Governing Body; Composition

The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years of age or older. Except for directors appointed by the Declarant, each director must reside in the Community and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Lot.

3.2 Directors Appointed by Declarant

The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association through the Period of Declarant Control as defined in the Declaration or until such earlier time as the Declarant shall surrender such right by filing written notice thereof in the Baldwin County Probate Court records.

3.3 Number of Directors

During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of four (4) members. Thereafter, the Board shall consist of **nine (9)** members, who shall be elected as provided below.

3.4 Nomination of Directors

Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office

After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.12 in lieu of a meeting) and the members shall elect three (3) directors. The members of the Board of Directors shall hold office for one (1) year and shall continue in office until their respective successors shall have been elected and take office. At annual meetings of the membership thereafter (or pursuant to Section 2.12 in lieu of a meeting), directors shall be elected. The three (3) candidates receiving the most votes shall be elected.

3.6 Removal of Directors

Except during the period that Declarant has the right to appoint and remove all members of the Board of Directors, at any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. The notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors.

3.7 Vacancies

Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings

The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble.

3.9 Regular Meetings

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, provided that, after the right of Declarant to appoint the directors terminates, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings

Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone shall be given at least two (2) days before the day set for the meeting.

3.11 Waiver of Notice

The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver

of notice, a consent to holding the meeting, or an approval of the minutes which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Quorum of Board of Directors

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.13 Compensation

No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings

All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session

The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16 Action Without a Formal Meeting

Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed by all of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

3.17 Telephonic Participation

One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, Articles, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each member to the common expenses;

(b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessment;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings

which may be instituted on behalf of or against the members concerning the Association;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) authorization of contracts on behalf of the Association.

3.19 Management Agent

The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing

The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining Procedure

The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

(i) the nature of the violation, the fine to be imposed and the date, not less than twenty-four (24) hours for an unapproved sign and not

less than fifteen (15) days for other violations from the date of the notice, that the fine will take effect;

(ii) that the violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine imposed;

(iii) the name, address and telephone numbers of a person to contact to challenge the fine;

(iv) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(b) If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. Except for the display of unapproved signs, the fine shall run from the date that a decision is made by the Board at the conclusion of the hearing or such later date as the Board may determine.

ARTICLE 4
OFFICERS

4.1 Officers

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2 Election, Term of Office, and Vacancies

Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents

The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

4.4 Salaries

The officers shall receive no compensation.

4.5 Removal

Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President

The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President

The Vice President(s), if any, shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary

The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these Bylaws and Alabama law; have custody of the seal of the Association;

affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer

The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation

Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 5
COMMITTEES

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws or the Alabama Nonprofit Corporation Code.

ARTICLE 6
MISCELLANEOUS

6.1 Fiscal Year

The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules

Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Alabama law, the Articles of Incorporation, the Declaration or these Bylaws.

6.3 Conflicts

If there are conflicts or inconsistencies between the provisions of Alabama law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Alabama law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

6.4 Amendment

These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Lots subject to the Declaration; or (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration. In addition, these Bylaws may be amended upon the affirmative vote of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant. Additionally, Declarant may unilaterally amend these Bylaws to the same extent as Declarant may amend the Declaration.

Exhibit "C" to the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Garrison Ridge

GARRISON RIDGE
ARCHITECTUAL COVENANTS
AND RESTRICTIONS
APPLICABLE TO LOTS AND DWELLING UNITS

1.) Submittal process for DECLARANT review is as follows:

a. Complete submittal form.

b. Submit all samples as required. (See Submittal form)

c. Plans required are Site Plan, Floor Plan, Front Elevation, Landscape Plan and Fence designs (if applicable). Corner lots require side elevations.

d. Submit all items along with a check for $200.00 to Donnie Clark (Please make checks payable to Garrison Ridge, LLC.)

2.) Site Plan — House located within building setbacks and improvements.

a. Orientation of house on lot.

b. Garage door — Side entry is required.

c. Driveway shall be on opposite sides of adjacent lots.

d. Driveway and garage orientation shall be approved by the DECLARANT.

3.) Architectural designs suggested are as follows: French Country, Louisiana, Hays Town, English Country, Craftsman Cottage, Bungalow, Pointe Clear and Fairhope Style Cottages. **No** Contemporary or Modern designs allowed.

4.) Foundations to be used shall have no exposed concrete showing and foundation materials shall be approved by DECLARANT.

5.) Minimum enclosed livable (heated and cooled area) area for lots having a frontage width of 80' to 110', inclusive, shall be 2400 square feet. All two story houses on 80' to 110' width lots inclusive shall have a minimum of 1,800 square

feet located on the ground floor. All two-story houses on 75' (or less) width lots inclusive shall have a minimum of 1200 sf on ground floor.

6.) Minimum main roof pitch shall not be less than a 9/12 pitch. Lower roof lines can be used for porches, dormers, etc. based upon DECLARANT approval.

7.) Fiberglass shingles shall be woven in valleys. No exposed metal valleys for shingle roofs.

8.) Minimum ceiling on the first floor shall be 9 feet and a minimum of 9 feet for the second floor.

9.) Exterior finishes that may be used are brick, old brick, stone, board and batten, lap siding, authentic stucco, Hardie Siding, Durock as a sub-surface product, synthetic stucco or any other concrete based materials approved by the DECLARANT. Soft coat system or foam shall **not** be allowed. Builders are responsible for expansion joints.

10.) Driveway surfaces shall be constructed of concrete, stamped concrete, brick, brick payers, or stone. No asphalt, rock, gravel, shell or other similar materials shall be used for driveway surfaces.

a. Driveways shall be no closer than 3 feet from property line, except as approved by Declarant.

11.) Minimum finish floor elevation shall be no less than 16 inches above the finish grade.

a. With the exception of sloping lots, finish floor elevation is not to be lower than street elevation unless approved by DECLARANT.

b. Lots that are below street level shall include a swell to repel water away from the foundation.

12.) Wooden windows with vinyl or aluminum clad are permitted (aluminum windows are not permitted).

a. May require samples.

13.) Vinyl windows may be used based upon approval by the DECLARANT.

a. May require samples.

14.) Vinyl or wood cornices shall be allowed. (See Cornice details.)

15.) Cornice details and window colors shall be that of neutral or khaki color only. Cornice details and exterior colors shall be submitted and approved by DECLARANT (No white vinyl or aluminum soffits will be allowed.). Color samples, paint colors, brick, and mortar shall be submitted to the DECLARANT for approval.

16.) Roof materials shall be dimensional shingles with a 25 year minimum (Metal and other roofs may be allowed based upon approval by the DECLARANT.).

17.) Copper highlights for roofing is encouraged, such as soffit returns, dormers etc.

18.) Material for the front door shall be solid wood or wood and glass as approved by the DECLARANT.

19.) Window light divisions shall be 1/1, 2/2, or 4/4 (no 6/6). Casement window light divisions shall be based upon approval by the DECLARANT.

20.) Porches shall have a brick skirt and if concrete shall be scored and stained, brick or slate payers and/or ceramic tile may be used based upon approval by the DECLARANT. Exposed concrete porches and patios are acceptable with brick skirts.

21.) Wooden front porches shall be 5/4 inch x 4 inch treated tongue and groove pine, painted. Covered wood porch floors must be stained or painted with DECLARANT approval.

22.) All columns and wood treatments shall be approved by the DECLARANT.

23.) Fiberglass columns shall be allowed with DECLARANT approval.

24.) Front walks are required, shall be a minimum of 36 inches and a minimum of 5 feet away from the house, and shall not be straight. Front walk surfaces shall be constructed of concrete, stamped concrete, brick, brick payers, or stone. No asphalt, rock, gravel, shell or other similar materials shall be used for front walk surfaces.

25.) Concrete sidewalks of a standard width to be determined by Declarant shall be installed at the front of each Lot or, as determined by Declarant, in the right of way in front and side (if applicable) of each Lot by the Owner of such Lot at such Owner's expense in order to create a sidewalk system for the Community. The sidewalks shall be completed at the earlier of completion of construction of a residence and one year after conveyance of the Lot by Declarant.

26.) Chimneys shall be constructed of brick or real stucco with approved exterior products.

27.) Out buildings shall be approved by the DECLARANT before building.

28.) Landscaping shall be submitted in a drawing and approved by the DECLARANT. The landscape plans shall identify the size and type of all plants and trees to be used. For lots that have no trees, two (2) trees which are no less than 3 inches in diameter shall be required and installed by builder or homeowner prior to completion of the landscaping.

29.) Fence designs, material and layouts shall be approved by the DECLARANT (chain link fences are not permitted).

NOTE: Architectural Covenants are subject to change from time to time by the Declarant.