

1165
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR SOUTHLAKE TOWNHOMES
A TOWNHOME SUBDIVISION

THIS DECLARATION, made on the date hereinafter set forth by SOUTHLAKE CONSTRUCTION AND DEVELOPMENT CORPORATION, an Alabama corporation, (hereinafter referred to as "DECLARANT");

W I T N E S S E T H :

WHEREAS, DECLARANT is the owner of certain real property located in the County of Shelby, State of Alabama, which has been subdivided as shown on a plat of SouthLake Townhomes , a Townhome Subdivision, recorded in the office of the Judge of Probate of Shelby County, Alabama, in Map Book 12, page 78; and

WHEREAS, DECLARANT intends to subject SouthLake Townhomes, a Townhome Subdivision, to these covenants, conditions, restrictions, and easements.

NOW, THEREFORE, DECLARANT hereby declares that all of the properties described on the plat of SouthLake Townhomes , a Townhome Subdivision, as recorded in the office of the Judge of Probate of Shelby County, Alabama in Map Book 12, page 78, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in SouthLake Townhomes or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

ALLEN MEISLER
500 ROBERT JEMISON RD.

BOOK 199 PAGE 367

Section 1. "Association" shall mean and refer to SouthLake Townhomes Owners Association, Inc., an Alabama non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 4. "DECLARANT" shall mean and refer to SOUTHLAKE CONSTRUCTION AND DEVELOPMENT CORPORATION its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Declaration" shall mean and refer to this Declaration.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Areas and dedicated streets and public utility owned property.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Properties" or "Planned Unit Development" shall mean and refer to all lots shown in the plat of SouthLake Townhomes, a Townhome Subdivision, except and not including Lots 1 and 2.

ARTICLE II

This Declaration of Covenants, Conditions, Restrictions and Easements for SouthLake Townhomes, a townhome subdivision, is made subject to the Declaration of Protective Covenants of SouthLake Townhomes (Residential) as recorded in Book 12, page 76, in the office of the Judge of Probate, Shelby County, Alabama, herein ("SouthLake Townhomes Covenants"). The SouthLake

Townhomes Covenants shall apply to the Properties covered by this Declaration.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed, leased and occupied, subject to this Declaration, is located in Shelby County, Alabama and is referred to as SOUTHLAKE TOWNHOMES , recorded in the office of the Judge of Probate of Shelby County, Alabama, and is herein referred to as the "Existing Property".

Section 2. Additions to Existing Property. Lands in addition to the Existing Property described above may hereafter become subject to this Declaration in the following manner:

(a) Additions in Accordance with General Plan of Development

199 PAGE 369
BOOK 199
The Declarant, its successors and assigns, shall have the right, at its sole discretion and without the further consent of the Association, to bring within the scheme and operation of this Declaration, additional property; provided, however, that such additions shall be limited to lands which are contiguous or part of the SouthLake Townhomes development to those above described, and which additional lands are to be developed as part of the Planned Unit Development known as SOUTHLAKE TOWNHOMES , a Townhome Subdivision, subject to the covenants and restrictions herein set forth. Such additional Properties shall be deemed to be "Contiguous" even though separated from the Existing Property by streets, roads, highways, rivers, streams, lakes, rights-of-way, railroads, utilities, or other intervening physical features or property interests not inconsistent with the general contiguity of the lands in question. Such additions shall be developed in a manner consistent with a general plan of development of the Existing Property prepared prior to the sale of any Lot and made known to every purchaser (which may be done by brochure or site plan made available to the purchaser) prior to such sale.

The General Plan of Development shall show the Existing

199 PAGE 370
BOOK
Property, and contain (1) a general indication of the size, location and proposed land use of each development stage; (2) the approximate size and location of common Properties proposed; (3) the general nature of any proposed common facilities and improvements; (4) a statement that any additions to the Existing Properties, will become subject to assessment for their just share of the Association's expenses; and (5) an approximate schedule, based upon the Declarant's projections, indicating the estimated times the Declarant plans to complete the various stages of the development. Unless otherwise stated herein, the General Plan of Development shall not bind the Declarant, its successors and assigns, to adhere to the Plan in any subsequent development of the land shown thereon. It also shall be understood that the Declarant shall be free to develop such portions or sections of the lands depicted in the General Plan of Development, as in the reasonable exercise of its discretion, it deems in the best interest of the entire development, without regard to the relative location of such portions or sections within the overall plan; that it shall not be required to follow any predetermined sequence or order of improvement and development; and that it may bring within the scheme of this Declaration additional lands, and develop the same before completing the development of the Existing Property.

The additions authorized under this and the succeeding subsection, shall be made by filing of record in the office of the Judge of Probate of Shelby County, Alabama, a Supplementary Declaration of Covenants and Restrictions with respect to such additional property which shall extend the operation and effect of the Covenants and Restrictions of this Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and modifications of the Covenants and restrictions contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect and adapt to any difference in character of the added Properties, and as are not inconsistent with the scheme of this Declaration. In no event,

however, shall such Supplementary Declaration revoke, modify, or add to the covenants established by this Declaration so as to affect the Existing Property. The Declarant shall not be obligated to develop additional lands as provided for herein. The discretion to develop future lands shall be solely with the DECLARANT.

(b) Other Additions. Upon approval in writing of the Association, pursuant to authorization of two-thirds (2/3rds) of the vote of all of its members, voting as provided for herein, the Owner of any property who desires to add such property to the scheme of this Declaration and subject such property to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restriction as described in subsection (a) above.

(c) Mergers, Combinations or Consolidations. Upon merger, combination or consolidation of the Association with another association, the Properties, rights and obligations of the Association, may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the Properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger, combination or consolidation. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Existing Property, together with the covenants and restrictions established upon any other Properties as one scheme. No such merger, combination or consolidation, however, shall effect any revocation or change of, or addition to the Covenants and Restrictions established by this Declaration within the Existing Property, except as herein provided.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have and is hereby granted a right and easement of ingress,

egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to charge an initial admission fee and other fees for the maintenance of the Common Area.

(b) The parking of automobiles in the designated area within the Common Area is restricted to Owners and guests, invitees and tenants of Owners, and shall not interfere with the rights of ingress and egress of the Owner of any particular lot.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members to such dedication or transfer has been recorded.

BOOK 199 PAGE 372

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment of the Common Area to the members of his family, his tenants and guests, or contract purchasers who reside on the property, provided, however, that the owner or contract purchaser who resides on the property, as the case may be, shall accompany family, tenants and guests to use the common area.

ARTICLE V

EASEMENTS

Section 1. Easements for Utilities. DECLARANT reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Common Area described herein.

Section 2. Easements for Encroachments. Each property, and the property included in the Common Area, shall be subject to an easement for encroachments created by construction, settling, exterior brick veneer walls, patios, balconies, stair landings,

and overhangs for all buildings constructed by DECLARANT. A valid easement for said encroachments and for the maintenance of same, so long as such encroachments stand, shall and does exist. In the event that any structure containing two or more Units is partially or totally destroyed and then rebuilt, the Owners of the units so affected agree that minor encroachments of parts of the adjacent units on Common Areas due to construction shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist.

Each member of the Association shall also be a member of the SouthLake Residential Association, Inc., as required by the SouthLake Townhomes Covenants referred to in Article II above.

Section 3. Other Easements. There is hereby created a blanket easement upon, across, over and under all of the Properties for ingress, egress, installation, replacement, repair and maintenance of all utilities including, but not limited to, water, sewers, gas, telephones, electricity, and a master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other equipment on the Property and to affix and maintain electrical or telephone wires and conduits, sewer and water lines, above, on or below any residence or land of any Owner. An easement is hereby granted to the Association, its officers, agents, and employees, including employees of any management company having a contract with the Association, over all of the Common Areas and to enter any residence to perform the duties of maintenance and repair of the residences or Common Area, to maintain any utilities for which an easement has been granted and to prevent damage to any other residence. An easement is hereby reserved to DECLARANT to enter the Common Area during the period of construction and sale of the Properties, or any additions to the Properties, and to maintain such facilities and perform such operations as in the sole opinion of DECLARANT may be reasonably required, convenient or incidental to the DECLARANT'S operation, including, without limitation, to the construction and sale of residences, to maintain a business office, storage area,

BOOK 199 PAGE 373

construction yards, signs and model units.

Section 4. Reciprocal Easements. There is hereby granted reciprocal pertinent easements for the maintenance and repair of any and all party walls. An easement is hereby granted to all fire protection, ambulance, and other similar persons and agencies, to enter upon the private streets and parking areas in the performance of their duties. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, communication lines or other utilities may be installed or relocated on said Properties except as initially specified, planned and approved by the DECLARANT or thereafter approved by the DECLARANT or the Association's Board of Directors. The easements provided for in this Article shall in no way affect any other recorded easements on said premises.

ARTICLE VI

PARTY WALL

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the Lot Owners of the Property upon which the Party Wall is situated; provided that, should a Party Wall be damaged by the negligent or intentional act of any Owner or any member of his family or his tenant or guest, then all such repair costs shall be borne by such Owner.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to

the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability or negligence or willful acts or omissions.

Section 4. Waterproofing. Notwithstanding any other provision of this Article, an Owner, who by his negligent or willful act causes the Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute concerning a Party Wall, or under the provisions of this Article, each party shall choose one arbitrator and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

Section 1. The Association. The operation and administration of the Planned Unit Development shall be by the Association of Lot Owners. The Association shall be a not-for-profit Alabama corporation incorporated by Articles of Incorporation recorded in the office of the Judge of Probate of Shelby County, Alabama. The Association shall be an entity which shall have the capability of bringing suit and being sued with respect to the exercise or non-exercise of its powers. The Association shall have exclusive authority and power to maintain a class action and to settle a cause of action on behalf of Lot Owners of the Planned Unit Development with reference to the common elements and with reference to any and all other matters in which all of the Lot Owners have a common interest. The Association shall have all the power and duties granted to or

imposed on it under the By-Laws and other Planned Unit Development documents as they may be amended from time to time. The Association is specifically authorized to enter into agreements by which its powers and duties, or some of them, may be exercised or performed by some other person or persons. The Association shall have a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Planned Unit Development and further, shall have the right to grant permits, licenses and easements over, under and within the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the development. The Board shall have the authority and duty to levy and enforce the collection of general and specific assessments for common expenses, capital improvements and reserves and is further authorized to provide adequate remedies for failure to pay such assessments.

BOOK 199 PAGE 376
Section 2. Membership. Each Lot Owner shall be a member of the Association so long as he is a Lot Owner. A Lot Owner's membership shall immediately terminate when he ceases to be a Lot Owner. The membership of a Lot Owner cannot be assigned or transferred in any manner except as an appurtenance of his Lot.

BOOK 199 PAGE 376
Section 3. Voting. Each Lot Owner shall be entitled to one (1) vote, which vote is not divisible. The vote shall be cast by the Lot Owner, in the manner provided for herein and in the Bylaws. Provided, however, that until four (4) months after the DECLARANT has completed and sold 75% of the lots in all phases of the Planned Unit Development, or until first(5) years from the date the first Lot is sold, or until the Declarant elects to terminate its control of the Planned Unit Development, whichever shall first occur, the Bylaws and rules adopted by the DECLARANT shall govern and there shall be no meeting of the members of the Association, unless a meeting is called by the Board of Directors of the Association, and neither the Lot Owners nor the Association, nor the use of the Planned Unit Development property by Lot occupants shall interfere with the completion of the

contemplated improvements and the sale of the Lots. The DECLARANT may make such use of the unsold Lots and the Common Areas and facilities as may facilitate such completion and sale, including, but not limited to, showing of the property and the display of signs. Thereafter, the Lot Owners shall have control of the Association.

Section 4. Contracts. The Association shall not be bound either directly or indirectly, to professional management contracts or leases entered into prior to passage of control unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, with not more than 90 days notice to the other party.

Section 5. Assignment. The share of a member and the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance of his Lot.

Section 6. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors which shall consist of such number not less than three (3) nor more than seven (7) as shall, from time to time, be determined and fixed in accordance with the By-Laws of the Association.

Section 7. Bylaws. The Association and its members shall be governed by the Bylaws which shall be adopted by the members.

Section 8. Availability of Records. The Association shall make available to Lot Owners, prospective purchasers, first mortgagees and insurers of first mortgagees of any Lot, current copies of the Declaration of Covenants, Conditions and Restrictions, Bylaws, Rules and Regulations and other books, records, financial statements and the most recent annual audited financial statement of the Association, if such audited financial statement is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under reasonable circumstances. If the Planned Unit Development Property contains 50 Lots or more, which have been subjected to the Declaration, any holder of a first mortgage is entitled upon request, to a financial statement for the immediately preceding

fiscal year.

Section 9. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Areas. The fund shall be maintained out of regular assessments for common expenses.

ARTICLE VIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The DECLARANT, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements to the Common Area, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to successors in title unless expressly assumed by them.

Section 2. Special Assessments for Capital Improvements Upon Common Area. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who

are voting in person or by proxy at a meeting duly called for this purpose.

Section 3. Uniform Rate of Assessment. The assessments herein described shall be fixed at a uniform rate for all Lots.

Section 4. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the issuance of a certificate of occupancy for the house constructed on said Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and one-twelfth (1/12th) of any annual maintenance or other special assessment shall be due each month. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 5. Effect of Nonpayment of Assessments: Remedies of the Association. Each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate equal, at the time of the delinquency, to (1) the most recently quoted six-month U. S. Government Treasury obligations plus six percent (6%) (provided that such a rate does not exceed the highest legal rate permitted under Alabama law), or (2) the highest legal rate permitted under Alabama law, whichever is greater, and the Association may bring

an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Further, the Board may establish a charge for the late payment of assessments, which charge shall be subject to the addition of interest, costs, reasonable attorney's fees and all other rights and remedies vested in the Association by these By-Laws or the Declaration. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot.

Section 6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof or relieve the prior owner from any personal liability for any unpaid assessments occurring prior to said sale or transfer.

ARTICLE IX

RESTRICTIONS UPON USE, STRUCTURAL AND ARCHITECTURAL CHANGE

No owner, tenant or other occupant of the Properties herein described shall, without the prior written consent of the Board of Directors:

- (a) paint or otherwise change the appearance of any exterior wall, door, window, terrace, balcony or any exterior surface; enclose any terrace or balcony with screen, glass or other material; erect any exterior lights or signs; place any signs in windows; erect or attach any structures or fixtures to the Common Area; nor make any

structural additions or alterations (except the erection or removal of nonsupport carrying interior partitions wholly within the Unit) to any Unit or to the Common Area. Any Owner who wishes to accomplish any of the foregoing shall make such request in writing, to the Board of Directors together with, if necessary, two (2) copies of the plans and specifications for the work proposed by the Owner. In the event the Board of Directors shall fail to approve or disapprove such request by an Owner within sixty (60) days from submission of same to the Board of Directors or of its designated representative, such approval will not be required and this covenant shall be deemed to have been fully complied with; and nothing herein contained shall prevent, or is intended to prevent, an Owner from maintaining or making repairs to his Lot so as to maintain his Lot in the condition existing at the time of purchase;

(b) permit loud and objectional noises or obnoxious odors to emanate from the Lot or from vehicles which may cause a nuisance to the occupants of other Lots;

(c) make any use of a Lot which violates any laws, ordinances or regulations of any governmental body or governmental agency;

(d) fail to conform to and abide by the Bylaws and the uniform rules and regulations in regard to the use of the Common Area which may be adopted from time to time by the Board of Directors of the Association;

(e) erect, construct or maintain any wire, radio, television, or other type antennas, satellite dish devices, garbage or refuse receptacles, or other equipment or structures on the exterior of the building or on the Common Area, except with the written consent of the Board of Directors;

(f) permit or suffer anything to be done or kept on the Properties which will increase insurance rates on any unit;

(g) commit or permit any nuisance, upon the properties herein described;

(h) divide or subdivide a Lot into a smaller Lot or Lots; so as to create a Lot smaller in size than that shown by plat of the subdivision; provided, however, that an entire Lot may be combined with an entire adjacent Lot and occupied as one Lot;

(i) obstruct the common way of ingress and egress to the other Lots or to the Common Area;

(j) place or allow anything to remain in or on the Common Area which would be unsightly or hazardous including unsightly vehicles or any vehicles other than normal passenger autos. The Board shall have full authority to determine the nature and specific determination as to any vehicles allowed on the property.

(k) allow any rubbish, refuse, garbage or trash to accumulate in places other than the receptacles provided therefor; and each Lot and the Common Area shall at all times be kept in a clean and sanitary condition. Garbage shall be placed in waterproof bags or similar containers before being placed in the appropriate receptacles;

(l) allow any fire or health hazard to exist;

(m) make use of the Common Area in such a manner as to abridge the equal rights of the other Owners to the use and enjoyment of same;

(n) permit a boat or boat trailer to be kept or maintained on the parking spaces or permit said parking spaces to be used for the storage of campers, motor homes or any other vehicle, apparatus or equipment (excluding passenger vehicles) without the written approval of the Board of Directors;

(o) use the Lot for anything other than for residential purposes; said Properties are hereby restricted to residential dwellings; for residential use only.

(p) No Owner of a Lot shall repair any motor vehicle, boat or other vehicle upon any portion of any Lot except for emergency repairs thereto and then only to the extent

necessary to enable movement thereof to a proper repair facility;

(q) raise, breed or keep animals, livestock or poultry of any kind on any lot except that dogs, cats and other household pets may be kept, subject to rules and regulations adopted by the Association, provided that they are not kept, bred or maintained for any commercial purpose;

(r) erect outbuildings or storage building of any kind upon the Properties;

(s) cut or otherwise destroy any growing tree without the approval of the Board of Directors unless that growing tree becomes a hazard to personal property;

(t) no action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

(u) the requirements set out in this Article IX are in addition to, and not in lieu of, the requirements established by the SouthLake Townhomes Covenants.

ARTICLE X

MAINTENANCE AND REPAIR

Section 1. Obligation of Owner. Each Owner shall, at his expense, maintain and repair his Lot, keeping the same at all times in good condition and making such structural repairs as may be required.

Section 2. Failure to Maintain. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and improvements situated thereon as required herein in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the buildings and any other improvements erected thereon. The cost of the same shall be added to and become a part of the assessment to which such Lot is subject.

Section 3. Acts of Owner. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another living Lot or impair any easement or hereditament, nor any act nor allow any condition to exist which will adversely affect any other living Lot or its Owner.

ARTICLE XI

INSURANCE

Each Lot Owner shall and is hereby deemed responsible for maintaining sufficient insurance upon his or her Lot so as to provide full replacement value thereof in the event of a casualty, including, without limitation: (a) loss or damage by fire and other hazards covered by a standard extended coverage endorsement; (b) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land including, but not limited to, vandalism, malicious mischief and windstorm; and (c) flood insurance, if it can be obtained. Each Lot Owner shall provide the Association with evidence that such insurance is in full force and effect. In the event an Owner of any Lot in the Properties shall fail to maintain sufficient insurance as provided for herein, the Association, after approval by two-thirds (2/3) of the Board of Directors, shall have the right to purchase said insurance, and the cost of which shall become the personal obligation of the Lot Owner and a lien on the Lot.

ARTICLE XII

RECONSTRUCTION OR REPAIR AFTER CASUALTY

In the event of the damage or destruction of all or part of the improvements on a Lot, the Lot Owner shall be responsible for the prompt reconstruction and repair of the improvements after such casualty; provided that should the Lot Owner fail to repair or replace the improvements within a reasonable period, the Association may do so for his account and may assess his property

accordingly; and thereafter be subrogated to any insurance proceeds.

ARTICLE XIII

AMENDMENT

This Declaration shall be amended in the following manner:

Section 1. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered.

Section 2. Resolution. An amendment may be proposed by either a majority of the Board of Directors or by members holding one-third (1/3rd) of the votes of the Association. A resolution adopting a proposed amendment must be adopted by an affirmative vote of not less than a majority of the Board of Directors and the consent of the Owners of the Lots to which sixty-seven percent (67%) of the votes in the Association are allocated and the approval of fifty-one percent (51%) of the holders of first mortgages on Lots. Provided, however, that until the DECLARANT of the Planned Unit Development has completed and sold seventy-five percent (75%) of the Lots in all phases of the Planned Unit Development, or until five (5) years from the date the first Lot is sold, or until the DECLARANT elects to terminate its control of the Lot, whichever shall first occur, no amendment may be made unless the DECLARANT shall join in the execution of such amendment, nor shall any amendment make any change that would in any way affect the rights, privileges, or powers of the DECLARANT unless the DECLARANT shall join in the execution thereof.

Section 3. Recording. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the office of the Judge of Probate of Shelby County, Alabama.

Section 4. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all record Owners, including all first mortgagees of Lots in the Planned Unit

Development in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the office of the Judge of Probate of Shelby County, Alabama.

If any provision or provisions of this Declaration, or any section, sentence, clause, phrase or word herein, or the application thereof, is in any circumstances held invalid, the validity of the remainder of this Declaration and the application thereof shall not be affected thereby.

The plat of SouthLake Townhomes, may be revised and amended by the developer at any time without the consent or approval of any lot owners provided, however, no revision or amendment shall reduce the size of any lot which has been conveyed by the developer to an individual and lot purchaser.

ARTICLE XIV

MISCELLANEOUS

199 PAGE 386
BOOK
Section 1. Unrestrictive Right of Transfer. The right of a Lot Owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of first refusal or a similar restriction.

Section 2. Lease of Units. Units may be leased by the Lot Owners; provided, however, that such lease and the rights of any tenants thereunder are hereby made expressly subject to the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of Lots and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board deems appropriate, including eviction.

Section 3. Restrictions on Mortgaging Lots. Anything construed in any of the Planned Unit Development documents to the contrary, there shall be no restrictions on a Lot Owner's right to mortgage his Lot.

Section 4. Regulations. Reasonable regulations concerning the use of the Planned Unit Development property may be made by the DECLARANT and amended from time to time by the Board of Directors of the Association.

Section 5. Lender's Notices. Upon written request to the

Owners Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage.

(b) Any 60-day delinquency in the payment of Assessments or charges owed by the Owner of any Lot on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners Association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 9. Exemption for Lots 1 & 2.

Anything to the contrary notwithstanding, the property shown on the Plat of SouthLake Townhomes a Townhome Subdivision designated as Lots 1 and 2 shall not be subject to any of the conditions of this Declaration of Covenants, Conditions, Restrictions and Easements or the Bylaws of SouthLake Townhomes Owners Association, Inc., or the Articles of Incorporation of SouthLake Townhomes Owners Association, Inc. including but not limited to use restrictions, assessments or liens or rights to assessments. Lots 1 and 2 are commercial property owned by SOUTHLAKE CONSTRUCTION AND DEVELOPMENT CORPORATION and will be sold or developed for commercial or retail uses by the Developer.

IN WITNESS WHEREOF, the said SOUTHLAKE CONSTRUCTION AND DEVELOPMENT CORPORATION, an Alabama corporation, has caused this Declaration to be executed on its behalf on this the 10th day of August, 1988.

SOUTHLAKE CONSTRUCTION AND
DEVELOPMENT CORPORATION

By:

Chester L. Parker

Its:

V. Pres.

ATTEST:

By:

Allen Mueller

Its:

Secretary

STATE OF ALABAMA

COUNTY OF SHELBY

BOOK 199 PAGE 388

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Chester L. Parker, whose name as Vice President of Southlake Construction & Development Corp. signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal on this the 10th day of

August, 1988.

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

88 AUG 15 PM 12:45

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

Linda M. Moore
NOTARY PUBLIC

RECORDING FEES

Recording Fee \$55.00

Index Fee 1.00

TOTAL \$56.00