

DECLARATION OF PROTECTIVE COVENANTS
FOR AMBERLEY WOODS 3RD SECTOR, LOTS 1 THRU 27
AS RECORDED IN MAP BOOK 20, PAGE 88,
IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA

STATE OF ALABAMA)
COUNTY OF SHELBY)

WHEREAS, Tanglewood Corporation, is the fee simple owner of certain real property located in Shelby County, Alabama, which is more particularly described as follows (hereinafter referred to as the "Real Estate"):

Amberley Woods Subdivision 3rd Sector, lots 1 thru 27, as recorded in Map Book 20, Page 88, in the Probate Office of Shelby County, Alabama.

WHEREAS, the Owner intends to develop the Real Estate and the Common Area (the Real Estate and Common Area being hereinafter sometimes collectively referred to as the "Property") pursuant to a general subdivision plan covering all of the Property and subject to certain protective covenants, restrictions, easements, rights, equitable servitudes, liens and charges, all running with the land.

WHEREAS, the plan for the Property provides for the Real Estate to be subdivided into lots on which single-family townhouse units will be constructed (hereinafter such lots being referred to as "Lots").

NOW, THEREFORE, in order to enhance and protect the value, attractiveness and desirability of the Property, and in furtherance of a general plan for the development, protection, maintenance, improvements, and sale of the Property, the Owner hereby declares that all of the Property shall be subject to the following covenants, restrictions, easements, rights, equitable servitude, liens and charges:

1. Land Use. The Real Estate shall be used exclusively for residential purposes. No building shall be constructed, placed or permitted to remain on any Lot other than one single-family dwelling not more than two and one-half stories in height (excluding any subterranean basement). No part of the Property shall be used or caused to be used in any way, directly or indirectly, for any business, commercial, manufacturing, warehouse, warehousing or other such nonresidential purpose, except, that the Owner may use the Property as a model home site, and may operate display and sales offices on the Property for the purpose of selling Lots for as long as the Owner continues to own any portion of the Property.

2. Parking. No automobile, truck, house trailer, camper, boat, dune buggy or any other type vehicle shall be parked or maintained on any permanent basis on the right-of-way or in front of any lot. Only vehicles used for day-to-day transportation of the property owners, their families or invitees may be kept or stored on the property. No house trailer, dune buggys, or inoperable vehicles may be kept or stored on the premises. Campers and boats may be stored on the premises but must not be seen from the street. Nothing contained in this paragraph shall preclude guests or invitee of any lot owner from parking in the front of any lot so long as such guest or invitee parks in the designated parking area and parks only on a temporary basis. Ownership of each lot shall entitle the owner or owners thereof to the use of not more than two automobile parking spaces, which shall be as near and convenient to said lot as reasonably possible, together with the right of ingress and egress in and upon said parking area.

3. Dwelling Size. Every dwelling must contain not fewer than 1000 square feet of heated space.

4. Set-back Requirements. Dwelling shall be constructed and placed on a Lot in conformance with the minimum building set-back requirements set forth in applicable municipal or county ordinances from time to time in effect or as may be indicated on the recorded plat covering the Property. Owner reserves the right to grant waivers for set-back violations on the recorded plat.

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5. Nuisances. No noxious or offensive activity, or activity which is, or may become an unreasonable nuisance or annoyance to any Lot owner, shall be conducted or permitted in or around any portion of the Property. No loud noises or noxious odors shall be emitted or permitted on the Property.

6. Temporary Structures. No out-building, tent, shack or shed of any kind shall be placed upon any portion of the Property, either temporarily or permanently, other than temporary structures or offices erected by the Owner in connection with the construction and sale of townhouse units on the Lots. No garage, trailer, camper, motor home or recreation vehicle shall be used as a residence on the Property, either temporarily or permanently. All fire wood storage must be behind the residence.

7. Signs and Antennas. No sign, poster, display, billboard or other advertising device of any kind shall be erected or displayed to the public view on any portion of the Property, except one sign of not more than 6 square feet advertising a Lot for sale or rent. Signs, regardless of size, used by the Owner to advertise the property during the period in which the Owner is constructing and/or selling townhouse units on the Property, may be placed on the Property. No television antenna shall be placed or erected on the exterior of any residence. Satellite dishes will be permitted, not to exceed 18" in diameter, and must be located to the rear of each residence and be approved by the Architectural Control Committee.

8. Oil and Mining Operations. No exploration, drilling, development or refining of or for hydrocarbons, or quarrying or mining operation of any kind, shall be conducted or permitted upon or under any portion of the Property, and no wells, tanks, tunnels, surface mines or underground mines shall be permitted thereon or therein. No derrick or other structures designed for use in boring or drilling for water, oil or natural gas shall be erected, maintained or permitted upon the Property.

9. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept upon the Property, except the usual and ordinary household pets. Dogs, cats, fish and birds may be kept on the Property, provided that such animals are not kept, bred or maintained for commercial purposes or in unreasonable numbers.

10. Garbage and Refuse Disposal. No portion of the Property shall be used or maintained as a dumping ground for wastes, rubbish or garbage. All such refuse stored or kept on the Property must be placed in sanitary containers, and no noxious or foul odors shall be permitted to emanate therefrom.

11. Townhouse Easements. The Owner intends to construct a townhouse on each Lot, and the construction of such townhouses may require that certain eaves, roof overhangs, brick veneers, siding and other architectural features and building materials encroach upon or hang over contiguous Lots. Accordingly, there is hereby created, granted and reserved, as an appurtenance to each Lot, a perpetual easement over and across each Lot, contiguous thereto for all such encroachments and overhangs, as well as for all encroachments and overhangs resulting from any natural movement or settling of any such townhouse. In addition, there is hereby created, granted and reserved to the owner or owners of each Lot a license and right of entry across contiguous Lots as may be reasonably needed to maintain and repair such encroaching or overhanging structures. If any townhouses shall be damaged or destroyed, the owner or owners thereof shall be permitted to repair and reconstruct such townhouse with encroachments and overhangs not more intrusive than those existing at the time of such damage or destruction and thereafter said license and right of entry shall continue in effect. In addition, owner plans to develop additional residential subdivisions in the future on property adjacent to the property referred to herein and reserves for itself an easement for ingress and egress over and across subject property as may be necessary for the construction and development of additional residential subdivisions on adjoining property. There is also reserved an easement for drainage as may be required resulting from the topography or lay of the land. Easements for installation and maintenance of utilities and drainage facilities are reserved and created as shown on the recorded map.

12. Covenants to Run with the Land. The covenants, restrictions, easements, rights, equitable servitude, liens and charges set forth herein shall (a) run with the land (the property) (b) be binding upon any and every person or entity having any rights, title or interest in the Property, or any part thereof, and such person's or entity's heirs, executors, administrators, successors and assigns (c) insure to the benefit of every portion of the Property and every interest therein (d) insure to the benefit of, and be binding upon, the Owner, its successors in interest, and each grantee from the owner of any interest in the Property and such grantee's successors in interest and (e) be binding and in effect for a period of twenty-five years from the date this instrument is recorded in the Probate Office of Shelby County, Alabama, after which period said covenants, restrictions, easements, right, equitable servitudes, liens and charges shall be automatically extended for successive periods of ten years each unless an instrument amending or modifying this instrument, executed by a majority of the then owners of not less than three-fourths of the Lots, shall be recorded in the Probate Office of Shelby County, Alabama.

13. Application to Owner. Notwithstanding any provisions herein to the contrary, nothing contained in this instrument shall prevent, hinder or limit the Owner in any manner whatsoever in connection with the development of the Property and the construction and sale of townhouse units on the Property, and any provisions have such effect shall be null, void and unenforceable against the Owner.

14. Consent of Lot Owners. Whenever the consent of the owners of the Lots is required with respect to any action described herein, the consent of the owner or owners of any Lot shall be deemed given if the record owner of such Lot (or Majority of such record owners, if more than one) shall evidence such consent in writing.

15. Prohibition Against Changing Exterior or Landscaping. Each lot owner shall, from time to time, paint (provided that same color is used) and otherwise maintain the exterior of this dwelling as needed. Such maintenance and painting shall be done in a manner harmonious with the remaining dwelling units and shall not be completed in such a manner, color, or design so as to disrupt the harmonious blending of the original architectural plans of the dwelling units. Each lot owner shall be prohibited from making any changes at all to the front exterior of their respective residence or making any changes at all in the landscaping, it being understood that all residences and landscaping are designed to blend harmoniously with each other.

16. The undersigned owner reserves the right to modify, release, amend, void, transfer or delegate all the right, reservation and restrictions herein set forth, or the right to modify, release, amend, void or transfer any one, or more, of the said herein set forth restrictions on lots in the said subdivision.

17. Invalidity of any one of these provisions or covenants by judgements, or court order, shall in no way affect any of the other provisions which shall remain in full force and effect.

18. Enforcement. If any lot owner, or their heirs or assigns shall violate, or attempt to violate, any of the covenants herein, it shall be lawful for any other person, or persons, owning real property situated in said development or subdivision to prosecute any proceedings at law in equity against the person, or persons, violating or attempting to violate any such covenant, and either to prevent him, or them, from doing so, or to recover damages or other dues from such violation.

19. Covenant with Respect to Maintenance of Lot and Improvements. Each owner shall keep his or her lot and the structure thereon in good order and repair including, but not limited to, the seeding, watering, and mowing of all lawns, the pruning and cutting of all trees and shrubbery, and the painting (or other appropriate external care) of the structure all in a manner and with such frequency as is consistent with good property management. No owner of any lot shall modify the structure on his or her lot by adding a room or rooms, changing the roof lines, adding decks, materially changing or altering the color or making other alterations on the exterior appearance of the structure without the express written approval of the Planning Commission of the City of Alabaster, Alabama. Each owner, in acquiring title to his or her respective lot, acknowledges that the decor, color scheme, and design have been selected in such a manner to be consistent and harmonious with the other homes within the subdivision and agrees to maintain his or her respective lot and structure in such a manner as to maintain and perpetuate the visual harmony within the subdivision.

20. Damage or Destruction. In the event of damage or destruction to any structure within the subdivision, the respective owner thereof agrees as follows:

(i) In the event of total destruction, the owner shall within sixty (60) days clear the lot of debris and commence to rebuild and reconstruct the structure in conformity with the colors, materials, plans and specifications of the original structure so destroyed, subject to any changes or modifications as may be approved by the Architectural Control Committee.

(ii) In the case of partial damage or destruction, the owner shall, as promptly as an insurance adjustment may be made, cause the damage or destruction to be repaired and restored in a first class condition in accordance with the plans and specifications of the original structure and in conformity with its original exterior painting and decor. Any changes or alteration must be approved by the Architectural Control Committee. In no event shall any damaged structure be left unrepaired and unrestored in excess of sixty days.

21. Architectural Control Committee. As above stated, no building, fence, or wall shall be erected, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality

of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. Approval shall be provided as hereinbelow set forth.

(i) Architectural Control Committee Membership. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant.

(ii) The Architectural Control Committee shall serve until such time as Owner has conveyed by recorded deed all of the subject real estate. Upon the occurrence of said event, the then record owners of the majority of the lots within the said subdivision which have been committed and made subject to these covenants shall have that power through a duly recorded written instrument of change the membership or the committee from time to time but no more frequently than one in any twelve (12) month period.

AMBERLEY WOODS HOMEOWNER'S ASSOCIATION

22. Every owner of a lot in the Development is subject to assessment and shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment and subject to the provisions of the Protective Covenants.

23. The Association shall have one (1) class of voting membership. The members shall be owners and shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event, shall more than one (1) vote be cast with respect to any lot.

(a) There will be an annual assessment of Twenty-five and no/100 dollars (\$25.00) to be paid for the maintenance of the entrance way, landscaping and any other deemed common area maintenance within the subdivision. The annual assessment of Twenty-five and no/100 dollars (\$25.00) shall be made payable to Tanglewood Corporation and due on the anniversary date of each year thereafter until the last house is built and closed.

(b) The homeowner will be notified in writing within ten (10) days of the last house closing that an assessment of Twenty-five dollars (\$25.00) will be due and payable to the Amberley Woods Homeowners' Association and placed in an escrow account. The certification of the last house closing shall state that the Architectural Control Committee, maintenance of the entrance, landscaping and any other deemed common area in the subdivision will be the sole responsibility of the Amberley Woods Homeowners' Association.

(c) The maximum annual assessment may be increased each year by not more than five percent (5%) of the previous year's assessment without a majority vote of the Homeowners' Association. The Homeowners' Association may fix the annual assessment at an amount not to exceed Fifty and no/100 dollars (\$50.00) unless greater assessment be approved by a two-thirds (2/3) vote of the membership of the Homeowners' Association.

24. Maintenance of Common Areas. There are certain areas within the confines or immediately adjacent to the Property (i.e.: right of ways, etc.) that are defined as "Common Areas", and shall require the collective maintenance efforts of all the home owners. These areas consist of the entrances and walls at Independence Drive, (including landscaping, sprinkler systems, and lighting) and certain interior areas as deemed necessary to maintain by the Declarant. In addition, there will be certain operating expenses for the Property common to all homeowners, such as insurance for the entrance walls, electric utility bills for the lights and sprinkler systems at the entrance walls and street lighting for Independence Drive and water bill for the sprinkler systems. The Declarant shall manage the maintenance and operations of these Common Areas until November 1999 or after that time if he may so deem suitable, with each property owner in residence paying to the Declarant \$25.00 a year to defer these maintenance and operating costs. After that time, the Declarant shall not be obligated to maintain the Common Areas or any of the operating expenses. Each Lot Owner shall participate in the maintenance of such Common Areas in accordance with the provisions of this paragraph. Each Owner agrees to participate in formation of an owner's association, to be formed no later than date Declarant terminates his routine maintenance under this paragraph. Each Lot Owner shall pay 1/(# of total lots) of the cost of forming the owner's association, including reasonable legal fees and recording costs incurred. The association shall have the sole responsibility for maintaining the Common Areas (and such responsibility shall be limited to maintenance of Common Areas described above) in whatever manner it

deems appropriate, including but not limited to a pro-rata annual assessment against each Lot Owner for 1/(# of total lots) of the amount of the actual and projected maintenance costs, but such power to assess shall be limited to the actual and projected cost of maintaining the aforesaid Common Areas. Each Lot Owner agrees to pay the amount of such assessments as they are levied from time to time by the association within ten (10) days of the date of such assessment. The owners of each Lot shall be entitled to one (1) vote in the conduct of the association's affairs. The Developer will provide assistance in the formation of the homeowner's association, but each Lot Owner recognizes and agrees that all costs associated with the formation of such owner's association shall be borne by the Lot owners as described herein. It is understood that the Declarant shall be relieved of any and all responsibility for maintaining the Common Areas on November 1999 or any date thereafter he so stipulates, regardless of any action or inaction on the part of any Lot Owners and the Lot Owners shall maintain any Common Areas on and after that date.

Each Lot Owner shall permit the Declarant, the owner's association or other third parties access across their Lot as may be reasonably necessary or convenient to maintain the Common Areas.

IN WITNESS THEREOF, the undersigned TANGLEWOOD CORPORATION, has hereunto set its hand and seal on this 14th day of November, 1995.

ATTEST:

TANGLEWOOD CORPORATION

Rebecca Harris

By: Jack D. Harris

STATE OF ALABAMA

COUNTY OF SHELBY

I, the undersigned a Notary Public in and for said County in said state, hereby certify that Jack D. Harris whose name as President of Tanglewood Corporation, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, 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 official seal, this the 14th day of November, 1995.

Joyce K. Lynn
Notary Public

My Commission Expires MY COMMISSION EXPIRES OCTOBER 24, 1998

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