

**DECLARATION OF PROTECTIVE COVENANTS FOR
EMERALD MOUNTAIN
AS RECORDED IN MAP BOOK 22, PAGE 84
IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA**

(STATE OF ALABAMA)
(COUNTY OF SHELBY)

KNOW ALL MEN BY THESE PRESENTS THAT: Whereas the undersigned Emerald Mountain, Inc. an Alabama Corporation know as Owner (s) of Emerald Mountain (which together with its successors and assigns, is hereafter referred to as "Developer"), is the owner of all that certain real property situated in Shelby County, Alabama, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the Development"). All lots shown on the subdivision plat (the Subdivision Plat") for the Development are hereinafter referred to individually as a "Lot" and collectively as the "Lots".

WHEREAS, Developer desires to subject all the Development and each Lot located therein and the owners of those lots to the easements, covenants, conditions, assessments, limitations and restrictions hereinafter set forth.

NOW, THEREFORE, Developer does hereby expressly adopt the covenants, conditions, limitations and restrictions for the Development as set forth in these Protective Covenants and does hereby declare that the Development and each Lot located in the Development shall be and the same are hereby subject to the following easements, covenants, conditions, assessments, limitations and restrictions:

ARTICLE I

ARCHITECTURAL REVIEW COMMITTEE

1.01 The ARC will consist of no more than two (2) persons each of whom will be designated and may be removed at any time by the Developer, until such time as Developer relinquishes in writing the authority to appoint members to the ARC to the Association. At such time as Developer no longer owns any Lot in the Development or upon Developer's written notice to the Association that it no longer desires the right to exercise the right to appoint and remove members of the ARC, then the Board of Directors of the Association shall have the right to appoint and terminate, with or without cause, all members of the ARC.

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1.02 All plans and specifications, including plot plans, for any improvements to a Lot, exterior materials texture and color selections for any dwellings and the plans for all mailboxes and entrance columns serving any Lot in the Development shall be first filed with and approved by the ARC before any construction is commenced on such Lot. The ARC shall have the authority to require modifications and changes in plans and specifications if it deems the same necessary. Developer and the ARC reserve the right to require use of one (1) uniform mailbox and post throughout the Development.

1.03 The authority to review and approve plans and specifications as provided herein is a right and not an obligation. Owners (and their respective contractors) shall have the sole obligation to oversee and construct dwellings in accordance with the restrictions hereof and the plans and specifications approved by the ARC. No dwelling, buildings, structures or other improvements of any nature shall be constructed, erected, placed or maintained on any Lot until such time as the ARC has approved in writing the plans thereof. The ARC shall have the right to establish and amend from time to time written rules, regulations and standards governing policies, guidelines and minimum requirements relating to the construction and alteration of any dwellings or other improvements on any Lot, as well as the content and types of information required to be submitted to the ARC for its approval, each of which shall be in addition to the provisions and requirements set forth herein.

1.04 Any exterior remodeling, reconstruction, alterations or additions to an existing dwelling or alter the exterior appearance of a dwelling must be approved by the ARC. Interior remodeling, reconstruction or alterations not affecting the exterior appearance of a dwelling shall not require the written approval of the ARC, but shall comply with all restrictions and covenants set forth herein.

1.05 Neither the ARC nor any architect nor agent thereof nor Developer shall be responsible to check for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications. **EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY LOT, DOES HEREBY WAIVE AND RELEASE THE ARC AND DEVELOPER AND ANY OF THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, MEMBERS AND SUCCESSORS AND ASSIGNS, FROM ANY LIABILITY OF ANY NATURE WHATSOEVER ARISING FROM DAMAGE, LOSS OR EXPENSE SUFFERED, CLAIMED, PAID OR INCURRED BY ANY OWNER ON ACCOUNT OF ANY DEFECTS IN ANY PLANS AND SPECIFICATIONS SUBMITTED TO OR APPROVED BY THE ARC, ANY DEFECTS RESULTING IN ANY WORK DONE IN ACCORDANCE WITH SUCH PLANS AND SPECIFICATIONS, THE FAILURE OF THE ARC TO APPROVE OR THE DISAPPROVAL OF ANY PLANS OR OTHER DATA SUBMITTED PURSUANT TO THE REQUIREMENTS OF THIS ARTICLE III AND ANY INJURY TO PROPERTY OR PERSON, INCLUDING DEATH, ARISING FROM ANY DEFECT IN ANY IMPROVEMENTS CONSTRUCTED ON SUCH OWNER'S LOT.**

1.06 The ARC shall, in its sole discretion, determine whether the plans and specifications and other data submitted by any Owner for approval are acceptable. Any approval granted by the ARC shall be effective only if such approval is in writing. The ARC shall have the right to disapprove any plans and specifications upon any ground, which is consistent with the objectives and purposes of these Protective Covenants, including, without limitation, purely aesthetic considerations, failure to comply with any of the provisions of these Protective Covenants, failure to provide requested information, objection to exterior design, appearances or material, objection on the ground of incompatibility with the overall scheme of development for the Development, objection to location of any proposed improvements on any Lot, objection to the color theme, finish, proportions, style of architecture, height, bulk or appropriateness of any dwellings or other improvements on any Lot or any other matter which in the sole and absolute judgment of the ARC, would render the proposed dwelling or other improvements inharmonious with the general plan of development for the Development. The approval of plans, specifications and other data for any one specific dwelling shall not be deemed an approval or otherwise obligate the ARC to approve similar plans, specifications or data for any other dwelling to be constructed on any other Lot within the development.

1.07 THE DEVELOPMENT MAY BE LOCATED IN AN AREA WHICH INCLUDES UNDERGROUND MINES, TUNNELS, SINKHOLES AND SUBSURFACE CONDITIONS. THE APPROVAL OF PLANS AND SPECIFICATIONS BY THE ARC SHALL NOT BE CONSTRUED IN ANY RESPECT AS A REPRESENTATION OR WARRANTY BY THE ARC OR DEVELOPER TO ANY OWNER THAT THE SURFACE OR SUBSURFACE CONDITIONS OF ANY LOT ARE SUITABLE FOR THE CONSTRUCTION OF A DWELLING OR OTHER STRUCTURES THEREON. IT SHALL BE THE SOLE RESPONSIBILITY OF EACH OWNER TO DETERMINE THE SUITABILITY AND ADEQUACY OF THE SURFACE AND THE SUBSURFACE CONDITIONS OF THE LOT. NEITHER DEVELOPER NOR THE ARC SHALL BE LIABLE OR RESPONSIBLE FOR ANY DAMAGE OR INJURY SUFFERED OR INCURRED BY OWNER OR ANY OTHER PERSON AS A RESULT OF SURFACE OR SUBSURFACE CONDITIONS AFFECTING A LOT OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, ANY SURFACE OR SUBSURFACE DRAINAGE AND ANY UNDERGROUND MINES, TUNNELS, SINKHOLES OR OTHER CONDITIONS OR TYPES OF GROUND SUBSIDENCE OCCURRING ON OR UNDER ANY LOT.

1.08 The ARC shall have the right to establish, amend, change and modify from time to time reasonable charges and fees for the review of any plans and specifications submitted pursuant to the provisions hereof. Furthermore, the ARC shall, upon request and at reasonable charges, furnish to any Owner a written certificate setting forth whether all necessary ARC approvals have been obtained in connection of any dwelling or other improvements on any Lot.

1.09 The ARC, in its sole and absolute discretion, shall have the exclusive right to grant variances with respect to any of the matters set forth in these Protective Covenants. Any variance approved by the ARC shall be in writing and shall be executed by either the chairman or the vice-chairman of the ARC.

1.10 Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenants and agreement, and, in the event any one (1) or more of said covenants or restrictions shall, for any reason, be held to be invalid or unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

ARTICLE II

EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

2.01 All Lots shall be known and described as residential lots and shall be used for single family residential purposes exclusively. No Lot shall be subdivided or resubdivided without prior written approval or Developer.

2.02 No structure shall be erected, altered, placed or permitted to remain on any Lot other than One (1) detached single family dwelling not to exceed two and one-half (2 - 1/2) stories, and a private attached garage. No mobile home or modular home is allowed. Any dwelling will be in conformity to the standards set herein and approved by the Architectural Review Committee (hereinafter referred to as ("ARC")), established by Developer pursuant to Article III hereof.

2.03 Notwithstanding anything provided to the contrary herein, Developer shall be permitted to construct and maintain on any Lot a structure and related facilities which may be designed and used as a construction field office and as a sales/marketing office.

2.04 Subject to the provisions of Articles VII and VIII below and the rights retained below by the ARC, each Lot and any dwelling, and garage shall be subject to the following minimum setbacks:

Front: Thirty-five (35) feet from dedicated road right of way;
Side: Ten (10) feet from each side Lot line; and
Rear: Forty (40) feet from the rear Lot line.

The ARC reserves and shall have the right to grant variances to the foregoing setback requirements. No structure (other than the residential dwelling and any attached garage) may be constructed closer to the ingress and egress road than the back of the residential dwelling. Any buildings of any nature including gazebos and decks built on any Lot must conform to a residential nature and must be approved by the ARC.

2.05 One-story dwellings shall contain not less than 2,200 square feet of finished and heated living area. In the event of a 1 1/2 story house, not less than 1,400 square feet shall be on the ground floor. A two-story house shall not have less than 1,200 square feet on the ground floor.

2.05. 1 Notwithstanding 2.04 and 2.05 above, or any other provision in these Covenants, the Developer may develop any new, additional section under 7.01 and as provided in these covenants, using different set-backs and building requirements so long as they conform to zoning approved by the Shelby County. The ARC reserves and shall have the right to grant reasonable variances from the square footage requirements, so long as the overall square footage meets or exceeds the minimum requirements, at the sole discretion of the ARC. The ARC must approve any and all dwellings, garages and other improvements of any nature to any Lot. Square footage measurements shall not include porches, garages, basements or decks.

2.06 All dwellings will have wooden, or vinyl windows; brick, dryvit, stucco or stone on all four (4) sides of the foundation with no exposed block. **The ARC reserves and shall have the right to grant variances to the foregoing requirements.**

ARTICLE III

GENERAL REQUIREMENTS

3.01 It shall be the responsibility of each Lot owner (which, together with their respective heirs, executors, personal representatives, successors and assigns, its hereinafter individually referred to as an "Owner" and collectively as the "Owners") to prevent the development from any unclean, unsightly or unkempt conditions of any dwelling or grounds on such Owner's Lot which may tend to decrease the beauty of the specific area or of the neighborhood as a whole.

3.02 No refuse pile or unsightly object shall be allowed to be placed or suffered to remain upon any part or any Lot or the Development. Developer, for itself and the Association, reserves the right (after ten (10) days prior written notice to an Owner) to enter any Lot during normal working hours for the purpose of removing trash or refuse therefrom which, in the sole opinion of either Developer or the Association, detracts from the overall beauty and safety in the Development, and may charge the Owner of such Lot a reasonable cost for such services, which charge shall constitute a lien upon such Lot enforceable by appropriate proceedings at law or equity or as hereinafter provided.

3.03 No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs and/or cats (not to exceed two (2) in number), other household pets, or maintained for any commercial purpose, subject to appropriate zoning ordinances.

3.04 No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or the other Owners.

3.05 No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

3.06 No trash or garbage or other refuse shall be dumped, stored or accumulated on any Lot or Common Area. Trash, garbage or other waste shall not be kept on any Lot except in sanitary containers or garbage compactor units. Garbage containers, if any, shall be kept in a clean and sanitary condition and shall be so placed or screened by shrubbery or other appropriate material approved in writing by the ARC as not to be visible from any road or within sight distance of any other Lot at anytime except during refuse collection. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except during the construction of a dwelling on such Lot, or with approval of or by the Fire Department having jurisdiction over the Development.

3.07 Except as authorized in Section 2.03 above, No structure of a temporary character, trailer, basement, tent or shack shall be used at any time as a residence either temporarily or permanently or otherwise allowed to remain on any Lot without the ARC'S approval. There shall be no occupancy of any dwelling unit until the interior and exterior of the dwelling is complete and a Certificate of Occupancy issued by the appropriate governmental authorities.

3.08 No signs of any kind at any time shall be displayed to the public view on any Lot except as may be approved by the ARC. All signs shall comply with the design specifications of the ARC. No sign shall be nailed to trees.

3.09 When the construction of any dwelling is once begun, work thereon must be prosecuted diligently and continuously and the dwelling on such Lot must be completed within twelve (12) months.

3.10 Garage doors shall not be permitted on the front of the dwellings. Unless approved in writing by the ARC, all garage doors shall be located on the side or at the rear of the dwelling.

3.11 Outside air conditioning units may not be located in the front yard or within any side yard adjacent to any street on corner lots. Utility meters shall not be located on the front of a dwelling and shall not be visible from any street or road.

3.12 Wood frame or vinyl windows are allowed to be used on the sides, fronts and rears of all dwelling constructed, however wood windows are preferred on the front of all dwellings and may be required by the ARC on an individual basis.

3.13 No concrete block work, including foundations, concrete block steps, walkways, walls or any other concrete block work, whether painted, or otherwise, shall show above ground or from the exterior of any dwelling.

3.14 Under no condition is chain link fencing allowed on front or side of any Lot. The ARC prior to construction must approve all other types of fencing in writing.

3.15 No automobiles or other vehicles will be stored on any Lot or Common Area or kept on blocks unless in the basement or garage of a dwelling. Boats, utility trailers, recreational vehicles, and travel trailers must be parked or stored in the basement or garage of a dwelling. No tractor trailer trucks, panel vans or other commercial trucks in the excess of One (1) ton classification shall be parked or stored on any Lot or Common Area.

3.16 No satellite, microwave dishes or television or radio antennas shall be placed on any Lot unless approved in writing by the ARC, but in no event shall satellite, microwave dishes or television or radio antennas be visible from any street in the Development. Eighteen (18") inch Digital Receivers shall be permitted to be placed on the dwelling so long as it is not visible from any street with the approval of the ARC.

3.17 The roof pitch of any dwelling shall not be less than a 10 & 12 inches unless first approved in writing by the ARC. All roof vents & pipes shall be located on the rear or sides of the dwelling but not visible from the front. No solar or other energy collection device or equipment shall be maintained on any Lot or dwelling if the same would be visible from the street. No projections of any type shall be allowed above the roof of any dwelling except for approved chimneys and vent stacks. All roofing will be Natural Colored Architectural Shingles unless first approved in writing by the ARC.

3.18 All porches on the front and sides of any dwelling shall be supported by the foundation of the dwelling, unless otherwise approved by the ARC.

3.19 No cantilevered chimney chases shall be allowed on the front of any dwelling. All chimney chases shall be supported by the foundation of the dwelling, unless otherwise approved by the ARC.

3.20 All driveways visible from the street must be concrete finish or, (with the approval of the ARC, asphalt.)

3.21 No Lot shall be cultivated for crops of any sort, except for gardens of reasonable size, which are to be located at the rear of a dwelling and not visible from any public street.

3.22 No fence, wall, hedge or shrub planting which obstructs sight lines from any roadways within the Development shall be placed or permitted to remain on any Lot.

3.23 The Developer reserves the right to make any road or other improvements within the Development, to change or extend the present road or other street grades, if necessary, without liability to the Owners for any claims for damages; and further reserves the right to change or modify the restrictions on any Lots and Development.

3.24 Except with the prior written consent of the Developer, no Lot shall be sold or used for the purpose of extending any public or private road, street or alley or to provide a means of access to any other real property situated adjacent to or in close proximity with the Development.

3.25 Woodpiles shall be located only at the rear of a dwelling and should be screened from view from public streets and adjacent Lots. Children's tots, swingsets, jungle gyms, trampolines and any other outdoor recreational equipment and appurtenances shall be allowed only at the rear or behind a dwelling and shall be located so as not to be visible from any public street, except for corner lots. The ARC must approve freestanding playhouses and tree houses. The ARC must approve all swimming pools: no above ground swimming pools shall be allowed on any Lot. Not statues, water fountains, birdbaths, flagpoles or furniture shall be placed or maintained on the front or side yards of any Lot. All outdoor furniture for any dwelling shall be kept and maintained only at the rear or behind a dwelling. Outside clothes lines and other facilities for drying or airing of clothes are prohibited. No clothing, rugs or other items shall be hung, placed or allowed to remain on any railing, fence or wall. Barbecue grills and other outdoor cooking equipment and apparatus shall be located only at the rear of a dwelling and should not be visible from any public street. Statues, water fountains, bird baths, bird feeders, wood carvings, plaques and other home crafts shall be allowed only at the rear of a dwelling and should not be visible from any public street. No rocks, rock walls, fencing or other substances shall be placed on any Lot as a front or side yard border or to prevent vehicles from parking on or pedestrians from walking on any portion of such Lot or to otherwise impede or limit access to the same. Seasonal or holiday decorations (e.g. Christmas trees and lights, pumpkins, Thanksgiving decorations) shall be promptly removed from any Lot or dwelling within thirty (30) days following such holiday.

3.26 All mailboxes shall be uniform throughout the subdivision and is the responsibility of the owner to acquire and install such mailbox. The Owner may contact the developer to obtain information on such mailbox.

ARTICLE IV

EASEMENTS

4.01 Developer does hereby establish and reserve for itself, the Association, the ARC and their respective successors and assigns, a permanent and perpetual no-exclusive easement over, across, through and upon each Lot for the purpose of inspecting each Lot and any dwelling constructed thereon in order to determine the compliance with the provisions of these Protective Covenants and to otherwise perform any of their duties or undertake any of the action authorize or permitted to be taken by any of them pursuant to these Protective Covenants.

4.02 Developer does hereby establish and reserve for itself, its successors and assigns, a permanent and perpetual non-exclusive easement over, across, through, upon and under those portions of any Lot upon which Developer has reserved an easement, as reflected on the recorded Subdivision Plat for such Lot, which easement may be used for the purpose of installing, erecting, maintaining and using above and below ground utility and cable television lines, poles, wire, cables, conduits, storm sewers, sanitary sewers, conveniences, appurtenances and other utilities.

4.03 NEITHER THE ARC NOR THE DEVELOPER NOR THE ASSOCIATION SHALL BE RESPONSIBLE FOR ANY INJURY OR DAMAGE RESULTING FROM THEIR CONSTRUCTION, OPERATION, CONTROL, MAINTENANCE OR OTHER ACT OR OMISSION RELATED TO ANY COMMON AREAS. EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY LOT, DOES HEREBY ASSUME ALL RISK AND RESPONSIBILITY FOR SUCH INJURY AND DAMAGE, AND DOES HEREBY WAIVE ALL RIGHTS AND CLAIMS AND RELEASE THE ARC, THE DEVELOPER AND THE ASSOCIATION AND ANY OF THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, MEMBERS AND SUCCESSORS AND ASSIGNS FROM ANY LIABILITY OF ANY NATURE WHATSOEVER ARISING FROM DAMAGE, INJURY, LOSS OR EXPENSE SUFFERED, CLAIMED, PAID OR INCURRED BY ANY OWNER OR OWNER'S FAMILY, GUESTS, LICENSEES OR INVITEES ON ACCOUNT OF ANY CONSTRUCTION, OPERATION, CONTROL, MAINTENANCE OR OTHER ACT OR OMISSION RELATED TO ANY COMMON AREA, INCLUDING DEATH OR INJURY.

4.04 Compliance with Governmental Regulations. Each Owner and Occupant shall at all times comply with all applicable laws, ordinance, statutes, rules, regulations, requirements and code provisions of all Governmental Agencies.

4.05 **Hazardous Materials.** No products that are listed on any current stipulated hazardous or toxic materials list of the Environmental Protection Agency, or the Alabama Department of Environmental Management or any other Governmental Agency shall be stored or used on any Lot, except that gasoline and other petroleum products, pesticides and fertilizers may be stored and used on a Lot for the purpose of normal and routine maintenance of grounds and the normal routine construction, repair, maintenance and operation of Dwelling and other Improvements located on a Lot, including construction materials which are stored and/or used during construction.

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

ARTICLE V MISCELLANEOUS

5.01 It is understood and agreed that the foregoing covenants and restrictions shall attach to and run with the land for a period of fifty (50) years from the date hereof, at which time these covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless, by a vote of at least fifty-one percent (51%) of the then Owners of the Lots, it is agreed to change the same in whole or part.

5.02 These covenants and restrictions may be amended or altered (a) solely by the Developer during such periods of time as the Developer owns any Lots in the Development, so long as such amendment does not materially and adversely affect or alter any Owner's right to use his Lot or (b) by the consent of a majority vote of Lot Owners (including Developer who shall have the voting rights attributable to the Lots owned by the Developer) and the written agreement of the Developer.

5.03 All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders. The use of the singular tense shall include the plural and vice versa.

5.04 Each Owner hereby waives any right to seek or obtain judicial partition of any portion of the Development.

5.05 Notwithstanding anything provided herein to the contrary, no sale, transfer, conveyance, lease, pledge, encumbrance or other hypothecation of any Lot by Developer to any third party shall constitute or be deemed a transfer of any of the rights reserved herein to Developer unless express reference is made in such instrument of conveyance to the specific rights created in these Protective Covenants which Developer is transferring to such third party.

5.06 Whenever in these Protective Covenants, Developer or the ARC has the right to approve, consent to or require any action to be taken, such approval, consent or required action shall, except as otherwise specifically provided herein to the contrary, be given or withheld in the sole and absolute discretion of Developer, the Association or the ARC, as the case may be.

5.07 Agreement to Arbitrate all Disputes. Any and all disputes, disagreements, claims, charges, complaints or other controversy of any kind between an owner and the Developer, the ARC or any officers, agents, representatives, members and successors and assigns, arising out of or relating to any obligations or dealings between them connected to these covenants, including but not limited to negotiations, communications, representations, disclosures or failures to disclose, contracts, sub-contracts, agreements, warranties, acts, omissions, workmanship, services rendered, materials supplied, and any other obligation or dealing of any kind, before, during or after the date of these covenants, shall be submitted to binding Arbitration at the instance of either party under the arbitration rules of the American Arbitration Association then in effect. The Arbitration will be conducted in Birmingham, Alabama. The law of the State of Alabama shall apply in all Arbitration proceedings. The Arbitration shall be binding upon the parties and judgement upon the award rendered by Arbitration may be entered in any court having jurisdiction thereof. The Owner, Developer, Association and ARC agree these covenants and all their communications, negotiations, acts, omissions and dealings of any kind involved and concern the construction and maintenance of a residential subdivision and related dealings substantially involve, affect and contemplate substantial interstate commerce, and this is a contract of arbitration under 9 U.S.C. 1, et seq. The building supplies and materials and possibly labor used in performing the construction and maintenance work will come from outside the State of Alabama, passing in interstate commerce. The parties joining in these covenants acknowledge the mutual benefit of the Arbitration Agreement and desire to have this Arbitration Agreement enforced and abide by all of its terms.

IN WITNESS WHEREOF, Developer has executed this instrument on the 14th
day of July, 1998.

DEVELOPER
EMERALD MOUNTAIN, INC.

BY: [Signature]
Amir H. Ashtarani
Its President

STATE OF ALABAMA
COUNTY OF Shelby

I, the undersigned, a Notary Public in and for said County and for said State, hereby certify that Amir H. Ashtarani, whose name as President of Emerald Mountain, Inc., a corporation, 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 conveyances, 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 of office this the 14th day of July, 1998.

[Signature]
NOTARY PUBLIC

My Commission Expires: Sept. 13, 1999

EXHIBIT A

A resurvey of Lot 1 and part of Lot 2, Featheringill Acres as recorded in Map Book 9, Page 96 and Acreage, all situated in the N.W. $\frac{1}{4}$ of the N.W. $\frac{1}{4}$ and N.E. $\frac{1}{4}$ of the N.W. $\frac{1}{4}$ of Section 14, Township 19 South, Range 2 West, in Shelby County Alabama.

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