



20061121000567590 1/41 \$131.00
Shelby Cnty Judge of Probate, AL
11/21/2006 08:33:34AM FILED/CERT

**DECLARATION
OF
PROTECTIVE COVENANTS
OF
HILLSBORO (RESIDENTIAL)**

B. H. M.



20061121000567590 2/41 \$131.00
Shelby Cnty Judge of Probate, AL
11/21/2006 08:33:34AM FILED/CERT

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I.....	2
DEFINITIONS	2
SECTION 1.1 Assessable Property.....	2
SECTION 1.2 Association or "HRA".	2
SECTION 1.3 Association Land or HRA Land.	2
SECTION 1.4 Board.	2
SECTION 1.5 Charter.	2
SECTION 1.6 Declaration.....	2
SECTION 1.7 Deed.....	3
SECTION 1.8 Developer.....	3
SECTION 1.9 Exempt Property.	3
SECTION 1.10 Improvement.....	3
SECTION 1.11 Lot.....	4
SECTION 1.12 Member.....	4
SECTION 1.13 Member's Property.....	4
SECTION 1.14 Common Areas.	4
SECTION 1.15 Owner.	4
SECTION 1.16 Parcel.	4
SECTION 1.17 Property or Subject Property or Member's Property.	4
SECTION 1.18 Resident.	4
SECTION 1.19 Residential Parcel.	4
SECTION 1.20 Restrictions.	5
SECTION 1.21 Structure.....	5
SECTION 1.22 Hillsboro or Hillsboro Property.....	5
SECTION 1.23 Tract.....	5
ARTICLE II MUTUALITY OF BENEFIT AND OBLIGATION.....	5
ARTICLE III ARCHITECTURAL COMMITTEE; ARCHITECTURAL CONTROL.....	6
SECTION 3.1 ARC.....	6
SECTION 3.2 Approval Required.	7
SECTION 3.3 Basis For Disapproval of Plans.	8
SECTION 3.4 Retention of Copy of Plans.....	9
SECTION 3.5 Rules of ARC; Effect of Approval and Disapproval; Time for Approval.	9
SECTION 3.6 Failure to Obtain Approval.....	10
SECTION 3.7 Certificate of Compliance.....	11
SECTION 3.8 Inspection and Testing Rights.	12
SECTION 3.9 Waiver of Liability.	12

ARTICLE IV ZONING AND SPECIFIC RESTRICTIONS.....	14
ARTICLE V SITE DEVELOPMENT	14
SECTION 5.1 Site to be Staked Prior to Tree Cutting.....	14
SECTION 5.2 Erosion Control.....	14
SECTION 5.3 Utility Lines and Appurtenances.	15
SECTION 5.4 Connection Points For Utility Service Lines.....	16
SECTION 5.5 Landscaping.....	16
SECTION 5.6 Colors.....	17
SECTION 5.7 Exterior Lighting.	17
ARTICLE VI COVENANTS FOR MAINTENANCE.....	17
SECTION 6.1 Keep Parcel in Repair; Liens.	17
SECTION 6.2 Priority of Lien.	18
ARTICLE VII GENERAL COVENANTS AND RESTRICTIONS	18
SECTION 7.1 General Prohibitions.....	18
SECTION 7.2 Mining.	18
SECTION 7.3 Model House, Real Estate Office.	19
SECTION 7.4 Mail boxes.	19
SECTION 7.5 Outside Burning.....	19
ARTICLE VIII EASEMENTS	19
SECTION 8.1 Drainage Easements.	19
SECTION 8.2 Grading.	20
ARTICLE IX ASSESSMENT OF ANNUAL CHARGE	20
SECTION 9.1 Assessment.	20
SECTION 9.2 Date of Commencement of Annual Charge.	21
SECTION 9.3 Effect of Nonpayment of Assessments; Remedies of HRA.	21
SECTION 9.4 Certificate of Payment.....	22
ARTICLE X IMPOSITION OF CHARGE AND LIEN UPON PROPERTY.....	22
SECTION 10.1 Creation of Lien for Assessments.....	22
SECTION 10.2 Submission of Portions of Hillsboro Property.....	22
SECTION 10.3 Personal Obligation of Members.....	23
SECTION 10.4 Subordination of Lien to Mortgages.....	23
ARTICLE XI USE OF FUNDS	24
SECTION 11.1 Use of Funds.....	24
SECTION 11.2 Obligations of HRA with Respect to Funds.	24
SECTION 11.3 Authority of HRA to Contract.....	25
SECTION 11.4 Authority of HRA to Borrow Money.	25

ARTICLE XII RIGHTS OF ENJOYMENT IN COMMON AREAS	25
SECTION 12.1 Common Areas.....	25
SECTION 12.2 Easement of Enjoyment of Common Areas.	25
SECTION 12.3 Suspension of Rights.	26
SECTION 12.4 Right of HRA to Convey.....	26
SECTION 12.5 Restrictions and Easements Over Common Areas.	27
SECTION 12.6 Waterways.	27
SECTION 12.7 Additions to Common Areas.	28
ARTICLE XIII MEMBERSHIP AND VOTING RIGHTS	29
SECTION 13.1 General.....	29
SECTION 13.2 All Parcel Owners Are Members of HRA.....	29
SECTION 13.3 Voting Rights.....	29
SECTION 13.4 Conflict.	30
ARTICLE XIV THE SUBMISSION OF ADDITIONAL PROPERTY	30
SECTION 14.1 Submission of Additional Property.	30
SECTION 14.2 All Property Bears the Burdens and Enjoys the Benefits of this Declaration.....	31
ARTICLE XV GENERAL	31
SECTION 15.1 Grantee's Acceptance.....	31
SECTION 15.2 Indemnity For Damages.	31
SECTION 15.3 Severability.....	32
SECTION 15.4 Right of Developer to Modify Restrictions With Respect to Unsold Parcels.	32
SECTION 15.5 Captions.	32
SECTION 15.6 Effect of Violation on Mortgage Lien.	32
SECTION 15.7 No Reverter.....	33
SECTION 15.8 Duration and Amendment	33
SECTION 15.9 Enforcement.....	33
SECTION 15.10 Certificate of Violation.	34
SECTION 15.11 Interpretation by HRA.	34
SECTION 15.12 Assignment by HRA.....	35
SECTION 15.13 No Waiver.....	35

**DECLARATION OF PROTECTIVE COVENANTS
OF HILLSBORO (RESIDENTIAL)**

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, The UNITED STATES STEEL CORPORATION, a Delaware corporation (herein referred to as "DEVELOPER"), has heretofore acquired the fee title interest in, or an option on, the land and real property described or depicted in Exhibit "A", annexed hereto and made a part hereof, said land being situated in Shelby County, Alabama, and referred to herein as "Hillsboro Property"; and


WHEREAS, DEVELOPER intends to form a planned development (to be known as "Hillsboro") on the Hillsboro Property consisting of commercial, residential, recreational and other areas; and

WHEREAS, DEVELOPER has caused the HILLSBORO RESIDENTIAL ASSOCIATION, INC. to be formed for the purpose of providing a non-profit organization to serve as representative of DEVELOPER and owners of any part of Hillsboro Property which hereafter is made subject to these protective covenants (herein collectively referred to as "Restrictions") with respect to: the assessment, collection and application of all charges imposed hereunder; the enforcement of all covenants contained herein and all liens created hereby; the creation, operation, management and maintenance of the facilities and services referred to hereafter and such other purposes described in its charter; and

WHEREAS, DEVELOPER may desire to subject, from time to time, portions of the Hillsboro Property intended for residential and related development to this Declaration.

NOW, THEREFORE, DEVELOPER does hereby proclaim, publish and declare that any part of the Hillsboro Property which becomes subject to these Restrictions shall be held, conveyed, hypothecated or encumbered, rented, used, occupied and improved subject to this

Declaration, which shall run with the land and shall be binding upon DEVELOPER and upon all parties having or acquiring any right, title or interest in any part of Hillsboro Property which is subject to this Declaration. **THE RESTRICTIONS CONTAINED HEREIN SHALL NOT APPLY TO OR AFFECT ANY HILLSBORO PROPERTY WHICH IS NOT SUBJECTED SPECIFICALLY BY SEPARATE WRITTEN INSTRUMENT TO THIS DECLARATION.**


20061121000567590 6/41 \$131.00
Shelby Cnty Judge of Probate, AL
11/21/2006 08:33:34AM FILED/CERT

ARTICLE I

DEFINITIONS

SECTION 1.1 Assessable Property.

That part of Hillsboro Property which is subjected to these Restrictions except such part or thereof as may from time to time constitute "Exempt Property" as defined in Section 1.9.

SECTION 1.2 Association or "HRA".

The Hillsboro Residential Association, Inc., its successors and assigns.

SECTION 1.3 Association Land or HRA Land.

That part of Hillsboro Property which may at any time hereafter be owned by the Association so long as the Association or successor thereof may be the owner thereof.

SECTION 1.4 Board.

The Board of Directors of the Association.

SECTION 1.5 Charter.

The Articles of Incorporation of the Hillsboro Residential Association, Inc.

SECTION 1.6 Declaration.

This Declaration of Protective Covenants of Hillsboro (Residential) applicable to Member's Property which shall be recorded in the Probate Records of Shelby County, Alabama, as the same may from time to time be supplemented or amended in the manner described therein.

SECTION 1.7 Deed.

Any deed, assignment, lease, or other instrument conveying fee title or a leasehold interest in any part of Hillsboro Property subjected to these Restrictions.

SECTION 1.8 Developer.

United States Steel Company, a Delaware corporation, its successors and assigns.

SECTION 1.9 Exempt Property.

Shall mean and refer to the following portions or parts of the Property:

- (i) any land deemed exempt by the Board;
- (ii) all land owned by Hillsboro Residential Association, Inc. ("HRA") (or a "Successor Corporation" as defined in Section 15.12 hereof) for so long as HRA (or such Successor Corporation) shall be the owner thereof.

SECTION 1.10 Improvement.

All dwellings, any building, Structure, or device constructed, erected or placed on any Parcel or Common Area which in any way affects the exterior appearance of any Parcel or Common Area. Improvements shall include, by way of illustration and not limitation, buildings, sheds, foundations, covered patios, underground utilities, roads, driveways, walkways, paving curbing, parking areas, trees, shrubbery, landscaping, fences, screening, walls, signs and any other artificial or man-made changes or alterations to the natural condition of any Parcel or Common Area. Improvements shall also mean any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Parcel, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Parcel and (ii) any change in the grade of any Parcel of more than six inches from that existing at the time of purchase by each Owner.

SECTION 1.11 Lot.

Each lot as shown on the recorded Hillsboro subdivision plat.

SECTION 1.12 Member.

A person or other entity who is a record owner of Member's Property.

SECTION 1.13 Member's Property.

That portion of Hillsboro Property which shall have been submitted to this Declaration for the purpose of creating a lien for assessments in favor of HRA.

SECTION 1.14 Common Areas.

Hillsboro Property which is conveyed to the Association by the owners or Developers of Hillsboro or a part thereof and which is designated as a common area.

SECTION 1.15 Owner.

The Owner of Member's Property.

SECTION 1.16 Parcel.

A Residential Parcel as defined in Section 1.19.

SECTION 1.17 Property or Subject Property or Member's Property.

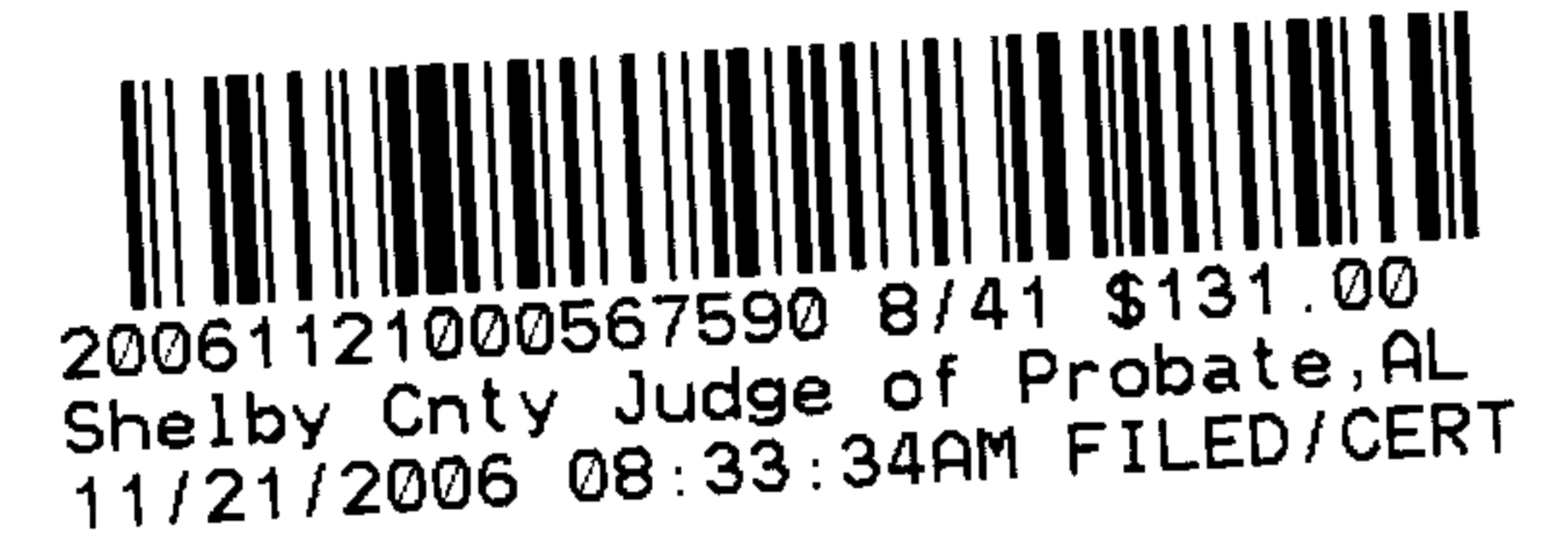
That part of Hillsboro Property subjected to this Declaration. The term "Property" shall include each such new parcel of land at the time that the same is subjected to the Declaration.

SECTION 1.18 Resident.

Any persons or persons occupying or leasing Member's Property.

SECTION 1.19 Residential Parcel.

Any unit, lot, part or parcel of Hillsboro Property designed, designated or used for a residential purpose or use, including residential condominiums and townhouses located on a parcel or parcels which are subjected to this Declaration.



SECTION 1.20 Restrictions.

The covenants, agreements, easements, charges and liens created or imposed by this Declaration.

SECTION 1.21 Structure.

Any Improvement, which, in the ARC's sole discretion, materially alters the appearance of a Parcel, including by way of illustration and not limitation, any building, garage, porch, shed, greenhouse or bathhouse, cop or cage, covered or uncovered patio, mailbox, swimming pool, clothes line, radio or television antenna, fence, curbing, paving, wall or hedge more than two (2) feet in height, signboard or any temporary or permanent living quarters (including any house trailer or motor home) or any other temporary or permanent improvement to such Parcel.

SECTION 1.22 Hillsboro or Hillsboro Property.

The property described as Hillsboro in the Declaration and other property which may be acquired by Developer and developed as a part of Hillsboro. That part of Hillsboro subjected to the Declaration is referred to as "Property", "Subject Property", or "Member's Property".

SECTION 1.23 Tract.

A contiguous piece of Property under one Ownership.

ARTICLE II

MUTUALITY OF BENEFIT AND OBLIGATION

The Restrictions set forth herein are made for the mutual and reciprocal benefit of each and every part of Hillsboro Property subjected to the Restrictions (sometimes referred to as "Property" or "Member's Property") and are intended to create mutual, equitable servitudes upon each such part of the Property and in favor of each and all parts of the Property therein, to create reciprocal rights between the respective owners and future owners of such Property; and to create a privity of contract and estate between the grantees of said Property, their heirs, successors and

assigns. The Restrictions do not apply to or affect any part of the Hillsboro Property which is not subjected specifically by written instrument to this Declaration. All Member's Property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all the terms and provisions of this Declaration applicable to Member's Property, including, but not limited to, the lien provisions set forth in Section 10.1.

ARTICLE III

ARCHITECTURAL COMMITTEE; ARCHITECTURAL CONTROL

SECTION 3.1 ARC.

The Residential Architectural Review Committee (herein the "ARC") shall be composed of at least three (but not more than five) individuals designated and redesignated from time to time (i) by DEVELOPER until control of the ARC is specifically delegated by the DEVELOPER to the HRA, and (ii) by the HRA after delegation of such control. Delegation of control of the ARC from the DEVELOPER to the HRA shall be evidenced by an instrument signed by the DEVELOPER and filed for record in the Probate records of Shelby County, Alabama. The delegation of such control of the ARC shall not be tied to the transfer of control of the HRA from the DEVELOPER to the Members of the HRA, but rather shall not occur until the DEVELOPER has sold all property described on Exhibit "A" hereto, or such sooner time as the DEVELOPER shall determine.

Except as hereinafter provided, the affirmative vote of a majority of the membership of the ARC shall be required in order to adopt or promulgate any rule or regulation, or to make any findings, determinations, ruling or order, or to issue any permit, authorization or approval pursuant to directives or authorizations contained herein. With regard to review of plans and specifications as set forth in this Article III, however, and with regard to all other specific matters (other than the promulgation of rules and regulations) as may be specified by resolution of the

entire ARC, each individual member of the ARC shall be authorized to exercise the full authority granted herein to the ARC. Any approval by one such member of any plans and specifications submitted under this Article III, or the granting of any approval, permit or authorization by one such member in accordance with the terms hereof, shall be final and binding. Any disapproval, or approval based upon modification or specified conditions by one such member shall also be final and binding.

SECTION 3.2 Approval Required.

No Improvement (as defined in Section 1.10) shall be commenced, erected, placed, moved on to or permitted to remain on any Parcel until such shall have been approved in writing by the ARC. No Structure shall be commenced, materially altered, erected, placed, moved on to or permitted to remain on any Parcel, nor shall any new use be commenced on any Parcel, unless two sets of plans and specifications (including a description of any proposed new use) thereof shall have been submitted to and approved in writing by the ARC. Such plans and specifications shall be in such form and shall contain such information as may be required by the ARC, but in any event shall include: (i) architectural plans, elevations and specifications showing the nature, kind, exterior color schemes, shape, height and materials of all Structures proposed for the Parcel; (ii) a site plan of the Parcel showing the location with respect to the particular Parcel (including proposed front, rear and side setbacks) of all Structures, the location thereof with reference to Structures on adjoining portions of the Property, and the number and location of all parking spaces and driveways on the Parcel; (iii) a grading plan for the particular Parcel; and (iv) a plan for landscaping. All of said plans shall address the matters set forth in Article V, as applicable.

SECTION 3.3 Basis For Disapproval of Plans.

The ARC shall have the right to disapprove any plans and specifications submitted hereunder because of any of the following:

- (a) failure of such plans or specifications to comply with any of the Restrictions;
- (b) failure to include information in such plans and specifications as may have been reasonably requested;
- (c) objection to the exterior design, appearance or materials of any proposed Structure;
- (d) objections to the location of any proposed Structure upon any Parcel or with reference to other Parcels in the vicinity;
- (e) objection to the site plan, grading plan, drainage plan or landscaping plan for any Parcel;
- (f) objection to the color scheme, finish, proportions, style of architecture, materials, height, bulk, or appropriateness of any proposed Structure;
- (g) objection to parking areas proposed for any Parcel on the grounds of (i) incompatibility to proposed uses and Structures on such Parcel or (ii) the insufficiency of the size of parking areas in relation to the proposed use of the Parcel;
- (h) failure of plans to take into consideration the particular topography, vegetative characteristics, natural environment and storm water runoff of the Parcel; or
- (i) any other matter which, in the judgment of the ARC, would render the proposed Structure, Structures or uses inharmonious with the general plan of improvement

of the Property or with Structures or uses located upon other Parcels in the vicinity.

Approval of any such plans shall terminate and be rendered void if construction is not begun within six (6) months after such approval unless such six (6) month period is extended by agreement with the ARC in which even the extended time period shall be applicable.

In any case where the ARC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ARC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

The scope of review by the ARC is limited to appearance only and does not include any responsibility or authority to review for structural soundness, compliance with building or zoning codes or standards, or any other similar or dissimilar factors.

SECTION 3.4 Retention of Copy of Plans.

Upon approval by the ARC of any plans and specifications submitted hereunder, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ARC, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

SECTION 3.5 Rules of ARC; Effect of Approval and Disapproval; Time for Approval.

The ARC may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on Parcels, including, without limitation, exterior lighting and planting, and may issue statements of policy with respect to approval or

disapproval of the architectural styles or details, or other matters, which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the ARC at any time, and no inclusion in, omission from or amendment of any such rule or statement shall be deemed to bind the ARC to approve or disapprove any feature or matter subject to approval, or to waive the exercise of the ARC's discretion as to any such matter, but no change of policy shall affect the finality of any approval granted prior to such change. Approval for use on any Parcel of any plans or specifications shall not be deemed a waiver of the ARC's right, in its discretion, to disapprove such plans or specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other Parcel or Parcels. Approval of any such plans and specifications relating to any Parcel, however, shall be final as to that Parcel and such approval may not be revoked or rescinded thereafter, provided, (i) that the Structures or uses shown or described on or in such plans and specifications do not violate any specific prohibition contained in the Restrictions, and (ii) that the plans and specifications, as approved, and any condition attached to any such approval, have been adhered to and complied with in regard to all Structures on and uses of the Parcel in question.

In the event that the ARC fails to approve or disapprove any plans and specifications as herein provided within thirty (30) days after submission of all required plans and other information required by the ARC, the same shall be deemed to have been approved, as submitted, and no further action shall be required.

SECTION 3.6 Failure to Obtain Approval.

If any Improvement is made without approval by the ARC or if any Structure shall be altered, erected, placed or maintained upon any Parcel, or any new use commenced on any Parcel, otherwise than in accordance with plans and specifications approved by the ARC

pursuant to the provisions of this Article III, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article III, and without the approval required herein, and, upon written notice from the ARC, any such Structure or Improvement so altered, erected, placed or maintained upon any Parcel in violation hereof shall be removed or realtered, and any such use shall be terminated, so as to extinguish such violation.

If fifteen (15) days after the notice of such a violation the Owner of the Parcel upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, DEVELOPER or the HRA shall have the right, through its agents and employees, to enter upon such Parcel and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Parcel in question. The lien provided in this Section 3.6 shall not be valid as against a *bona fide* purchaser (or *bona fide* mortgagee) of the Parcel in question unless notice of said lien shall have been filed in a court of record in the county in which the Parcel is located prior to the recordation among the land records of such county of the deed (or mortgage) conveying the Parcel in question to such purchaser (or subjecting the same to such mortgage). The rights of Developer and the HRA herein shall be in addition to all other legal or equitable remedies that may be available to Developer and the HRA.

SECTION 3.7 Certificate of Compliance.

Upon completion of the construction or alteration of any Structure upon any Parcel in accordance with plans and specifications approved by the ARC, the ARC shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such Structure and the Parcel on which such Structure is placed, and stating that the plans and specifications, the location of such Structure and the use or uses to be conducted

thereon have been approved and that such Structure complies with the requirements of the Committee. Preparation and recording of such certificate shall be at the expense of such Owner. Any certificate of compliance issued in accordance with the provisions of this Section 3.7 shall be *prima facie* evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that, as of the date of the certificate, all Structures on the Parcel, and the use or uses described therein comply with all the requirements of this Article III, and with all other requirements of this Declaration as to which the ARC exercises any discretionary or interpretive powers.

SECTION 3.8 Inspection and Testing Rights.

Any agent of DEVELOPER, HRA or the ARC may at any reasonable time or times enter upon and inspect any Parcel and any Improvements thereon for the purpose of ascertaining whether the maintenance of such Parcel and the maintenance, construction, or alteration of Structures or Improvements thereon are in compliance with the provisions hereof; and neither DEVELOPER, HRA nor the ARC nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection. Any such inspection shall be for the sole purpose of determining compliance with these Restrictions, and neither the making of any such inspection, nor the failure to make any such inspection, shall be relied upon by the Owner of a Parcel or any third persons or entities for any purpose whatsoever; nor shall any such inspection obligate the DEVELOPER, the HRA or the ARC to take any particular action based on the inspection.

SECTION 3.9 Waiver of Liability.

Neither the ARC nor any architect nor agent thereof, nor the HRA, nor the DEVELOPER, nor any agent or employee of the foregoing, shall be responsible in any way for any failure of Structures to comply with requirements of this Declaration, although a certificate

of compliance has been issued, nor for any defects in any plans and 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, and all persons relying thereon or benefitting therefrom agree not to sue or claim against the entities and persons referred to in this Section 3.9 for any cause arising out of the matters referred to in this Section 3.9 and further agree to and do hereby release said entities and persons for any and every such cause.

UNDERGROUND CONDITIONS. THE PROPERTY MAY BE LOCATED IN AN AREA WHICH INCLUDES UNDERGROUND MINES, TUNNELS, SINKHOLES AND SUBSURFACE CONDITIONS. THE APPROVAL OF DEVELOPMENT PLANS 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 PARCEL ARE SUITABLE FOR THE CONSTRUCTION OF A DWELLING OR OTHER STRUCTURES THEREON. IT SHALL BE THE SOLE RESPONSIBILITY OF EACH PARCEL OWNER TO DETERMINE THE SUITABILITY AND ADEQUACY OF THE SURFACE AND THE SUBSURFACE CONDITIONS OF THE PARCEL. NEITHER DEVELOPER NOR THE ARC SHALL BE LIABLE OR RESPONSIBLE FOR ANY DAMAGE OR INJURY SUFFERED OR INCURRED BY AN OWNER OR ANY OTHER PERSON AS A RESULT OF SURFACE OR SUBSURFACE CONDITIONS AFFECTING A PARCEL OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, ANY SURFACE OR SUBSURFACE DRAINAGE OR UNDERGROUND MINES,

**TUNNELS, SINKHOLES OR OTHER CONDITIONS OR TYPES OF GROUND
SUBSIDENCE OCCURRING ON OR UNDER ANY PARCEL.**

ARTICLE IV

ZONING AND SPECIFIC RESTRICTIONS

The Restrictions shall not be taken as permitting any action or thing prohibited by the applicable zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease. In the event of any conflict, the most restrictive provision of such laws, rules, regulations, deeds, leases or the Restrictions shall be taken to govern and control.

ARTICLE V

SITE DEVELOPMENT

SECTION 5.1 Site to be Staked Prior to Tree Cutting.

At the option of the ARC, after the plan for the Structure is approved, the site of the Structure must be staked out and such site approved by the ARC before tree cutting is done. Existing vegetation on each Parcel shall be saved whenever it is practical to do so. No tree may be cut or removed from any Parcel without consent of the ARC until the building plans, site plans, and site staking are approved by the ARC.

SECTION 5.2 Erosion Control.

Erosion control measures, including installation and maintenance of silt fences and, if necessary, temporary detention ponds, shall be taken by the Owner of a Parcel, or his contractors, to protect adjacent properties during construction on such Parcel and thereafter until the soil is stabilized on the Parcel. Such erosion control measures shall be properly maintained at all times during the course of construction and thereafter until the soil is stabilized. All such erosion control measures, including slope stabilization, must be specified on the grading plan,

shall comply with the Best Management Practices of the Alabama Department of Environmental Management, AND ALL APPLICABLE LAWS, RULES AND REGULATIONS GOVERNING EROSION CONTROL.

The Owner of a Parcel shall defend, indemnify and hold Developer, the ARC, and HRA, harmless from and against any and all fines, penalties, and costs (including attorney's fees, consultants' fees, and costs of litigation including trial and appeal) arising out of the Owner's or its contractors' failure to comply with all applicable laws, rules, regulations and ordinance of all local, state and federal governmental agencies relating to erosion control and storm water maintenance on the Owner's Parcel.

Any storm water retention ponds created during construction on a Parcel shall not remain as permanent ponds after completion of construction unless so provided in the grading, site and landscaping plans submitted to and approved by the ARC.

SECTION 5.3 Utility Lines and Appurtenances.

All gas, water, sewer, telephone and electrical feeder and service lines shall be installed as underground service unless otherwise approved by the ARC. All transformer boxes, meters or other such fixtures shall be adequately screened with plants or other materials approved by the ARC; provided that no planting or screening devices shall be placed so as to obstruct the normal servicing of either transformers, telephone pedestals, or other utility hardware. To the extent of the interest of the Owner of a Parcel, the Owner of a Parcel will not erect or grant to any person, firm or corporation the right, license or privilege to erect or use or permit the use of overhead wires, poles, or overhead facilities of any kind for electrical or telephone service on said real estate (except such poles and overhead facilities as may be required at those places where distribution facilities enter and leave the particular area) without the prior written consent of the ARC. Where underground electric service is to be installed, in order to permit installation of

underground electric service to each Parcel for the mutual benefit of all owners therein, no Owner of any such Parcel will commence construction of any house on any such Parcel until such Owner (1) notifies the electric utility that such construction is proposed, (2) grants in writing to the electric utility such rights and easements as the electric utility requires in connection with its construction, operation, maintenance and removal of underground service lateral on each Parcel, and (3) otherwise complies with the Rules and Regulations for Underground Residential Distribution on file with and approved by the Alabama Public Service Commission.

If required by the electric utility, such electric utility, its successors and assigns, may retain title to the underground service lateral and outdoor metering trough or house power box (exclusive of circuit breakers) serving each said house, and said service entrance facilities provided by such utility will not in any way be considered a fixture or fixtures and thereby a part of said real estate, but will remain personal property belonging to such utility, its successors and assigns, in accordance with applicable Rules and Regulations filed with and approved by the Alabama Public Service Commission.

SECTION 5.4 Connection Points For Utility Service Lines.

To the extent of the interests of the Owner of each Parcel, such Owners agree to connect utility service lines (including, but not limited to, gas, water, sewer and electricity) at points designated by Developer.

SECTION 5.5 Landscaping.

The landscape plan must be approved by the ARC prior to installation of landscaping. The landscape plan shall indicate the proposed type, location, size and quantity of all plant materials to be planted on the Parcel. The Owner must faithfully execute the landscape plan as submitted to and approved by the ARC. If the Owner should fail to faithfully execute the

landscape plan, the HRA shall have the right to enter into a contract with a third party for the execution of the landscape plan as approved, and the cost thereof shall be a binding personal obligation of the Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Parcel in question. The lien provided in this Section 5.6 shall not be valid as against a *bona fide* purchaser (or *bona fide* mortgagee) of the Parcel in question unless notice of said lien shall have been filed in a court of record in the county in which the Parcel is located prior to the recordation among the land records of such county of the deed (or mortgage) conveying the Parcel in question to such purchaser (or subjecting the same to such mortgage).

SECTION 5.6 Colors.

All exterior building materials and colors must be approved by the ARC.

SECTION 5.7 Exterior Lighting.

Exterior lighting plans must be set forth on the architectural or landscape plans for a Parcel, and must be approved by the ARC.

ARTICLE VI

COVENANTS FOR MAINTENANCE

SECTION 6.1 Keep Parcel in Repair; Liens.

Each Owner shall keep all Parcels owned by him, and all improvements therein or thereon, in good order and repair, including the sodding, seeding, watering, weeding, mulching, and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting and repair (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. If, in the opinion of the HRA any Owner fails to perform the duties imposed by the preceding sentence after fifteen (15) days' written notice from the HRA to the Owner to remedy the condition in question, the HRA shall have the right, through its agents and employees, to enter upon the

Parcel in question and to repair, maintain, repaint and restore the Parcel or such improvements and the cost thereof shall be a binding personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Parcel in question.

SECTION 6.2 Priority of Lien.

The lien provided in Section 6.1 hereof shall not be valid as against a *bona fide* purchaser (or *bona fide* mortgagee) of the Parcel in question unless notice of said lien shall have been filed in the appropriate Probate Office in the county in which the Parcel is located prior to the recordation in the land records of such county of a deed (or mortgage) conveying the Parcel in question to such purchaser (or subjecting the same to such mortgage).

ARTICLE VII

GENERAL COVENANTS AND RESTRICTIONS

SECTION 7.1 General Prohibitions.

Without the prior written approval of the ARC:

- 7.1.1 No previously approved Improvement on any Parcel shall be used for any purpose other than that for which it was originally designed;
- 7.1.2 No Parcel shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise;
- 7.1.3 Each Parcel shall be used for Single Family Use only. "Single Family Use" shall mean a group of one or more persons each related to the other by marriage or legal adoption, or a group of not more than three persons not all so related, who maintain a common household in a dwelling.

SECTION 7.2 Mining.

To the extent of the interest of the Owner of a Parcel, and except for construction approved under Article III, no Parcel shall be used for the purpose of boring, mining, quarrying,

exploring for or removing gas, coal, oil or other hydrocarbons, sulfur or other minerals, gravel or earth.

SECTION 7.3 Model House, Real Estate Office.

All else herein notwithstanding any Parcel may be used by the DEVELOPER or its agent for a model home or for a real estate office.

SECTION 7.4 Mail boxes.

The design of all mailboxes must be approved by the ARC.

SECTION 7.5 Outside Burning.

Outside or open burning of trash, refuse or other material upon any Parcel is prohibited, except for burning of trees and brush during the clearing of a Parcel and the initial construction of improvements on such Parcel (to the extent allowed by law).

ARTICLE VIII

EASEMENTS

SECTION 8.1 Drainage Easements.

Except with prior written permission from DEVELOPER, or (when so designated by DEVELOPER) from the ARC, drainage flow shall not be obstructed nor be diverted from drainage swales, storm sewers and/or utility easements as designated herein, or as may hereafter appear on any plat of record in which reference is made to these Restrictions. DEVELOPER may cut drainways for surface water wherever and whenever such action may appear to DEVELOPER to be necessary in order to maintain reasonable standards of health, safety and appearance; provided, however, that DEVELOPER's right to cut drainways on an Owner's Property shall terminate when the principal structure and approved landscaping on such property

have been completed. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health and appearance. The provisions hereof shall not be construed to impose any obligation upon DEVELOPER to cut such drainways.

SECTION 8.2 Grading.

DEVELOPER may at any time make such cuts and fills upon any Parcel or other part of the Hillsboro Property and do such grading and moving of earth as, in its judgment, may be necessary to improve or maintain the streets in or adjacent to the Hillsboro Property and to drain surface waters therefrom; and may assign such rights to Shelby County or to the City of Helena, Alabama; provided however, that after plans for the principal Structure upon a Parcel shall have been approved by the ARC as provided herein, the rights of DEVELOPER under this Section 8.2 shall terminate with respect to all parts of such Parcel other than the easement area thereof, except that DEVELOPER or any such municipal or public authority shall thereafter have the right to maintain existing streets and drainage structures.

ARTICLE IX

ASSESSMENT OF ANNUAL CHARGE

SECTION 9.1 Assessment.

For the purpose of providing funds for use as specified in Article IX hereof, the HRA shall in each year assess against each Lot (except for Exempt Property) a charge (which shall be uniform with respect to all Lots) equal to a specified number of dollars per Lot. Each such Lot shall be charged with and subject to, a lien for the amount of such separate assessment which shall be deemed the "Annual Charge" with respect to such Lot. It is specifically understood and represented that the utility charges to each Lot, including sewer, water, electricity, telephone, gas

(if any) and other utilities are the separate and personal responsibility of the Lot Owner and are not part of any assessments provided for herein. In addition, the HRA may assess supplemental charges for specifically defined areas. Such areas shall be defined by separate recorded instrument. Such supplemental charges shall be considered part of the "Annual Charge."

SECTION 9.2 Date of Commencement of Annual Charge.

As soon as may be practical in each year, HRA shall send a written bill to each Member stating (i) the amount of the Annual Charge assessed against each such Lot, stated in terms of the total sum due and owing as the Annual Charge, and (ii) that unless the Member shall pay the Annual Charge within thirty (30) days following the date of receipt of the bill the same shall be deemed delinquent and will bear interest at the rate of eighteen percent (18%) per annum until paid.

SECTION 9.3 Effect of Nonpayment of Assessments; Remedies of HRA.

If the Member shall fail to pay the Annual Charge within sixty (60) days following receipt of the bill referred to in Section 9.2 hereof, and within thirty (30) days after additional written notice that the Member is delinquent in his payment, in addition to the right to sue the Member for a personal judgment, the HRA shall have the right to enforce the lien hereinafter imposed to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures, as in the case of mortgages under applicable law, and the amount due by such Member shall include the Annual Charge, as well as the cost of such collection, including a reasonable attorney's fee, and the aforesaid interest. In addition, the HRA shall have the right to sell the property at public or private sale after giving notice to the Member (by registered mail or by publication in a newspaper of general circulation in the County where the Parcel is situated at least once a week for three successive weeks) prior to such sale.

SECTION 9.4 Certificate of Payment.

Upon written demand by a Member, the HRA shall within a reasonable period of time issue and furnish to such Member a written certificate stating that all Annual Charges (including interest and costs, if any) have been paid with respect to any specified Parcel as of the date of such certificate, or if all Annual Charges have not been paid, setting forth the amount of such Annual Charges (including interest and costs, if any) due and payable as of such date. The HRA may make a reasonable charge for the issuance of such certificates which must be paid at the time that the request for such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the HRA and any *bona fide* purchaser of, or lender on, the Parcel in question.

ARTICLE X

IMPOSITION OF CHARGE AND LIEN UPON PROPERTY

SECTION 10.1 Creation of Lien for Assessments.

All Member's Property shall be subject to a continuing lien for assessments levied by the HRA in accordance with the provisions of this Declaration. The Annual Charge together with interest thereon and the costs of collection thereof (including reasonable attorney's fees) as herein provided, shall be a charge on and shall be a continuing lien upon the Member's Property against which each such assessment or charge is made.

SECTION 10.2 Submission of Portions of Hillsboro Property.

DEVELOPER may desire to subject from time to time portions of the Hillsboro Property intended for residential and related development (including, without limitation, non-residential development) to this Declaration in accordance with Article XV, and the same will thereby be subjected to this Declaration as Member's Property for the purpose, among others, of submitting such property to the lien described in Section 10.1. Except as provided herein, Member's

Property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all the terms and provisions of this Declaration applicable to Member's Property, including, but not limited to, the lien provisions set forth in Section 10.1.

SECTION 10.3 Personal Obligation of Members.

Each Member, by acceptance of a deed or other conveyance to Member's Property, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the HRA, or to cause to be paid to the HRA, the Annual Charges. Each such assessment, together with interest and costs of collection, including reasonable attorney's fees, in addition to being a lien on the property as set forth in Section 10.1 above, also shall be the personal obligation of the person or entity who was the owner of such Member's Property at the time when the assessment fell due.

SECTION 10.4 Subordination of Lien to Mortgages.

The lien of any assessment or charge authorized herein with respect to Member's Property is hereby made subordinate to the lien of any *bona fide* mortgage on such member's Property if, but only if, all assessment and charges levied against such Member's Property falling due on or prior to the date such mortgage is recorded has been paid. The sale or transfer of any Member's Property pursuant to a mortgage foreclosure proceeding or a proceeding in lieu of foreclosure or the sale or transfer of such Member's Property pursuant to a sale under power contained in a mortgage on such property shall extinguish the lien for assessments falling due prior to the date of such sale, transfer or foreclosure, but the HRA shall have a lien on the proceeds of such sale senior to the equity of redemption of the mortgagor. The foregoing subordination shall not relieve a Member whose Member's Property has been mortgaged of his personal obligation to pay all assessments and charges falling due during the time when he is the owner of such property. The Board may at any time, either before or after the mortgaging of any

Member's Property, waive, relinquish or quitclaim in whole or in part the right of the HRA to assessments and other charges collectible by the HRA with respect to such property coming due during the period while such property is or may be held by a mortgagee or mortgagees pursuant to such sale or transfer.

ARTICLE XI

USE OF FUNDS

SECTION 11.1 Use of Funds.

The HRA shall apply all funds received by it pursuant to these Restrictions, and from any other source, reasonably for the benefit of property owned by HRA Members.

SECTION 11.2 Obligations of HRA with Respect to Funds.

The HRA shall not be obligated to spend in any calendar year all the sums collected in such year by way of Annual Charges or otherwise, and may carry forward as surplus any balances remaining; nor shall the HRA be obligated to apply any such surpluses to the reduction of the amount of the Annual Charge in the succeeding year, but may carry forward from year to year such surplus as the Board in its absolute discretion may determine to be desirable for the greater financial security of HRA and the effectuation of its purposes. The HRA does not assure that the services described in Section 11.1 will be provided and nothing herein shall obligate the HRA or its Directors to undertake to provide such services. The HRA shall provide to all Members of the HRA an annual accounting of funds expended and balances remaining within one hundred twenty (120) days after the end of any calendar year, such accounting to be at the HRA's expense.

SECTION 11.3 Authority of HRA to Contract.

The HRA shall be entitled to contract with any corporation, firm or other entity for the performance of the various undertakings of the HRA, and the performance by any such entity shall be deemed the performance of the HRA hereunder.

SECTION 11.4 Authority of HRA to Borrow Money.

The HRA shall be entitled to borrow money on approval by 51% of the votes of the Members of a meeting called by the HRA.

ARTICLE XII

RIGHTS OF ENJOYMENT IN COMMON AREAS

SECTION 12.1 Common Areas.

DEVELOPER may convey or cause to be conveyed to the HRA, subsequent to the recordation of this Declaration, certain tracts of land within the Hillsboro Property for park, trail, and other recreational and related purposes. The conveyances may restrict the uses of the property being conveyed. Such tracts, together with such other parts of the HRA land as the Board may by resolution from time to time hereafter designate for use by Members and Residents are sometimes hereinafter collectively referred to as "Common Areas".

SECTION 12.2 Easement of Enjoyment of Common Areas.

Every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Common Areas, and such easement shall be appurtenant to and shall pass with every Parcel upon transfer. All Residents who are not Members shall have a non-transferable privilege to use and enjoy all Common Areas for so long as they are Residents within the defined meaning of that term. All such rights, easements, and privileges, however, shall be subject to the right of the HRA to adopt and promulgate reasonable rules and regulations pertaining to the use of Common Areas which shall enhance the preservation of such facilities, the safety and

convenience of the users thereof, or which, in the discretion of the Board, shall serve to promote the best interests of the Owners and Residents, including the making available of certain Common Areas to school children, with or without charge. The HRA shall have the right to charge Owners and Residents reasonable admission and other fees in connection with the use of any Community Facility. In establishing such admission and other fees, the Board may, in its absolute discretion, establish reasonable classifications of Owners and of Residents; such admission and other fees must be uniform within each such class but need not be uniform from class to class. The HRA shall have the right to borrow money, subject to the limitations in Section 11.4, for the purpose of improving any Community Facility and, in aid thereof, to mortgage the same and the rights of any such mortgagee shall be superior to the easements herein granted and assured.

SECTION 12.3 Suspension of Rights.

The HRA shall have the right to suspend the rights of any Member (and the privilege of each Resident claiming through such Member) for any period during which the Annual Charge assessed under Article IX hereof remains overdue and unpaid, or in connection with the enforcement of any rules or regulations relating to such facilities in accordance with the provisions of this Article XII.

SECTION 12.4 Right of HRA to Convey.

Notwithstanding the rights, easements and privileges granted under this Article XII, the HRA shall nevertheless have the right and power to convey any property referred to in Section 12.1 hereof free and clear of all such rights, easements and privileges if such conveyance is to a public body for public use.

SECTION 12.5 Restrictions and Easements Over Common Areas.

DEVELOPER will either create prior to or as a part of any conveyances to the HRA easements and rights of way over and/or affecting the property conveyed to the HRA including but not limited to easements relating to utilities, sewers, construction and roads. Any such conveyance to the HRA by DEVELOPER shall be subject to all restrictions, reservations, easements, rights of way and agreements of record.

SECTION 12.6 Waterways.

Any Parcel which shall abut upon any lake, stream, river, canal or other waterway (hereinafter collectively referred to as 'Waterways') shall be subject to the following additional restrictions:

12.6.1 No wharf, bulkhead, or other structure or obstruction shall be built or maintained upon any waterfront Parcel or into or upon any Waterway on the Property or adjacent thereto except with the specific written approval of the ARC.

12.6.2 Except with prior written approval of the HRA, no boat canal shall be constructed upon any Parcel nor shall any facility or device be constructed or installed upon any Parcel which shall in any way alter the course of or natural boundaries of any Waterway or which shall involve or result in the removal of water from any Waterway.

12.6.3 Except with prior written approval of the HRA, no boats, boat railways, launching facilities or any similar type of structures or equipment shall be installed, constructed or maintained upon any Parcel, nor shall any boat or boat trailer be stored on any Parcel in such manner as to be visible from surrounding properties or from the abutting Waterway. Further, if such

approval is granted, such operation shall conform to all rules and regulations promulgated by the HRA concerning the use of boats

12.6.4 No garbage, trash or other refuse shall be dumped into any Waterway on the Property.

12.6.5 No consent or authority to use any Waterway on the Property is granted or implied by these Restrictions and such use may be prohibited or unauthorized. Notwithstanding anything in this Declaration to the contrary, the use, construction or development of any Waterway shall be at the sole risk and liability of the user or developer, and no approval of any structure or use relating to any Waterway by the HRA shall impose any liability on the HRA to any person or entity for damages, injury or death relating to any such use, structure or Waterway. It is understood that the authority of the ARC does not include the authority to review any use or structure for matters relating to structural soundness and/or safety.

SECTION 12.7 Additions to Common Areas.

DEVELOPER, or such of its successors and assigns as shall have been specifically granted the right to submit additional property to this Declaration as set forth in this Article, may from time to time during the development of Hillsboro convey or cause to be conveyed additional property to the HRA and such property shall become Common Areas.

12.7.1 Property conveyed to the HRA as additional Common Areas may be improved or unimproved land and may be subject to permanent or periodic flooding or may be land under water. The Developer may convey such additional Common Areas subject to easements for the construction, installation, maintenance, repair, use and access of roadways, service

roads, or utility sewer, or other public service facilities, and subject to the reserved right in favor of a person owning Hillsboro Property for reasonable use and access to facilitate the development of such property and subject to other rights of way, easements, restrictions, and agreements of record.

ARTICLE XIII

MEMBERSHIP AND VOTING RIGHTS

SECTION 13.1 General.

The structure of the HRA is contained in its Charter and by-laws. The matters discussed in Sections 13.2 to 13.5 are summaries of some of the provisions of the Charter of the HRA. The Charter and by-laws of the HRA cover each of these matters, in addition to others, in greater detail, and should be consulted for a full explanation of the rights and obligations appurtenant to membership in the HRA.

SECTION 13.2 All Parcel Owners Are Members of HRA.

Every owner of a Parcel constituting member's Property shall, by virtue of such ownership, be a Member of the HRA. Membership shall be appurtenant to, and may not be separated from the ownership of any property which is Member's Property..

SECTION 13.3 Voting Rights.

Each Member shall have one vote for each Residential Parcel owned by such Member. Provided, however, that until the earlier of (i) Developer no longer owns any portion of the Hillsboro Property which is now or hereafter may be submitted to this Declaration or (ii) the Developer shall designate in writing to the HRA, (a) the Developer shall be vested with the sole voting rights in HRA, and the other Members shall have no voting rights and (b) no annual meeting of the Members shall be required.

SECTION 13.4 Conflict.

In the event of a conflict between the terms of this Declaration and the Charter of the HRA, the terms of the Charter shall control.

ARTICLE XIV

THE SUBMISSION OF ADDITIONAL PROPERTY

SECTION 14.1 Submission of Additional Property.

DEVELOPER may at any time during the pendency of this Declaration add all or a portion of Hillsboro Property, along with any additional property now or hereafter acquired by Developer, to the Property which is covered by this Declaration. Additional Property may be submitted to the provisions of this Declaration by an instrument executed by DEVELOPER, its successors or assigns in the manner required for the execution of deeds. Such instrument shall:

14.1.1 refer to this Declaration stating the book or books of the records of Shelby County, Alabama, and the page numbers where this Declaration is recorded;

14.1.2 contain a statement that such Additional member's Property is conveyed subject to the provisions of this Declaration, or some specified part thereof;

14.1.3 contain an exact description of such Additional Member's Property, and

14.1.4 such other or different covenants, conditions and restrictions as DEVELOPER shall, in its discretion, specify to regulate and control the use, occupancy and improvement of such Additional Member's Property.

Upon the recording of such instrument in the appropriate Probate Office of Shelby County, Alabama, such additional property shall be Member's Property and the owner or owners of such Member's Property shall thereupon be members of the HRA.

SECTION 14.2 All Property Bears the Burdens and Enjoys the Benefits of this Declaration.

Every person who is an owner of a fee interest in any portion of the Member's Property does by reason of taking such title agree to all of the terms and provisions of this Declaration (except as they may be modified in the deed to such Property). All present and later added Member's Property is subject to the burdens and shall enjoy the benefits made applicable hereunder to Member's Property.

ARTICLE XV

GENERAL

SECTION 15.1 Grantee's Acceptance.

The grantee of any Parcel subject to the coverage of these Restrictions, by acceptance of the deed or other instrument conveying an interest in or title to, or the execution of a contract for the purchase thereof, whether from DEVELOPER or a subsequent owner of such Parcel, shall accept such deed or other contract upon and subject to each and all of these Restrictions herein contained.

SECTION 15.2 Indemnity For Damages.

Each and every Parcel Owner and future Parcel Owner, in accepting a deed or contract for any Parcel subject to these Restrictions, agrees to indemnify DEVELOPER for any damage caused by such Owner, or the contractor, agent, or employees of such Owner, to roads, streets, gutters, walkways or other aspects of public ways, including all surfacing thereon, or to water, drainage or storm sewer lines or sanitary sewer lines owned by DEVELOPER, or for which DEVELOPER has responsibility, at the time of such damage.



20061121000567590 36/41 \$131.00
Shelby Cnty Judge of Probate, AL
11/21/2006 08:33:34AM FILED/CERT

SECTION 15.3 Severability.

Every one of the provisions and restrictions is hereby declared to be independent of, and severable from the rest of the provisions and restrictions and of and from every other one of the provisions and restrictions and of and from every combination of the provisions and restrictions in this Declaration and shall in no way affect any of the other provisions or restrictions which shall remain in full force and effect.

SECTION 15.4 Right of Developer to Modify Restrictions With Respect to Unsold Parcels.

With respect to any unsold Parcel, DEVELOPER may include in any contract or deed hereinafter made or entered into such modifications and/or additions to these Restrictions as DEVELOPER in his discretion desires; provided, however, that these Restrictions may not be modified in any contract or deed to except such Parcel from the assessment provisions of Article IX or to lessen or extend the voting rights as provided in these Restrictions or in the Charter and by-laws of the HRA.


SECTION 15.5 Captions.

The captions preceding the various sections, paragraphs and subparagraphs of these Restrictions are for the convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

SECTION 15.6 Effect of Violation on Mortgage Lien.

No violation of any of these Restrictions shall defeat or render invalid the lien of any mortgage made in good faith and for value upon any portion of the Property, provided, however, that any mortgagee in actual possession, or any purchaser at any mortgagees' or foreclosure sale

shall be bound by and subject to these Restrictions as fully as any other Owner of any portion of the Property.


20061121000567590 37/41 \$131.00
Shelby Cnty Judge of Probate, AL
11/21/2006 08:33:34AM FILED/CERT

SECTION 15.7 No Reverter.

No Restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

SECTION 15.8 Duration and Amendment

The Restrictions contained in this Declaration shall run with and bind the Property, shall inure to the benefit of and shall be enforceable by DEVELOPER, the HRA, the ARC, and the Owner of any Residential Parcel included in the Property, their respective legal representatives, heirs, successors and assigns until December 31, 2037, after which time said Restrictions shall be automatically extended for successive periods of ten years each. Developer may amend this Declaration at will as long as (i) Developer owns any portion of the Hillsboro Property which is now or hereafter may be submitted to this Declaration or (ii) the Developer shall designate in writing to the HRA that it gives up its right to amend. After such time, this Declaration may not be amended in any respect except by the execution of an instrument signed by not less than 55% of the Parcel Owners, which instrument shall be filed for recording in the Probate Offices of Shelby County, Alabama, or in such other place of recording as may be appropriate at the time of the execution of such instrument.

SECTION 15.9 Enforcement.

In the event of a violation or breach of any of these Restrictions or any amendments thereto by any Owner, or employee, agent, or lessee of such Owner, then the Owner(s) of Residential Parcel(s), the HRA, DEVELOPER (so long as it is a member of the HRA), their successors and assigns, or any party to whose benefit these Restrictions inure shall have the right to proceed at law or in equity to compel compliance with the terms and conditions hereof, to

prevent the violation or breach of said Restrictions, to sue for and recover damages or other dues, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate. No delay or failure on the part of an aggrieved party to initiate an available remedy set forth herein shall be held to be a waiver of that party or an estoppel of that party or of any other party to assert any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

Damages shall not be deemed adequate compensation for any breach or violation of any provision hereof, but any person or entity entitled to enforce any provision hereof shall be entitled specifically to relief by way of injunction as well as any other available relief either at law or in equity.

Any party to a proceeding who succeeds in enforcing a Restriction or enjoining the violation of a Restriction against a Parcel Owner may be awarded a reasonable attorney's fee against such Parcel Owner.

SECTION 15.10 Certificate of Violation.

In addition to any other rights or remedies available to the HRA hereunder or at law or equity, the HRA shall have the right to file in the Records of Shelby County, Alabama a Certificate or Notice of Violation of these Restrictions (which violation shall include, without limitation, nonpayment of the Annual Charges and/or failure to comply with architectural guidelines) upon failure of a Parcel Owner to correct a violation of these Restrictions within thirty (30) days after written notice of the violation has been given by the HRA to the Parcel Owner.

SECTION 15.11 Interpretation by HRA.

The HRA shall have the right to construe and interpret the provisions of this Declaration, and absence of an adjudication by a court of competent jurisdiction to the contrary, its

construction or interpretation shall be final and binding as to all persons or property benefited or bound by the provisions hereof.

SECTION 15.12 Assignment by HRA.

The HRA shall be empowered to assign its rights hereunder to any successor nonprofit members corporation (herein referred to as the "Successor Corporation") and, upon such assignment the Successor Corporation shall have all the rights and be subject to all the duties of the HRA hereunder.

SECTION 15.13 No Waiver.

The failure of any party entitled to enforce any of these Restrictions herein contained shall in no way be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such violation or breach occurring prior or subsequent thereto; provided, however, that approval of plans pursuant to Article III shall be binding on any and all parties as a conclusive determination that such plans are conformity with these Restrictions.

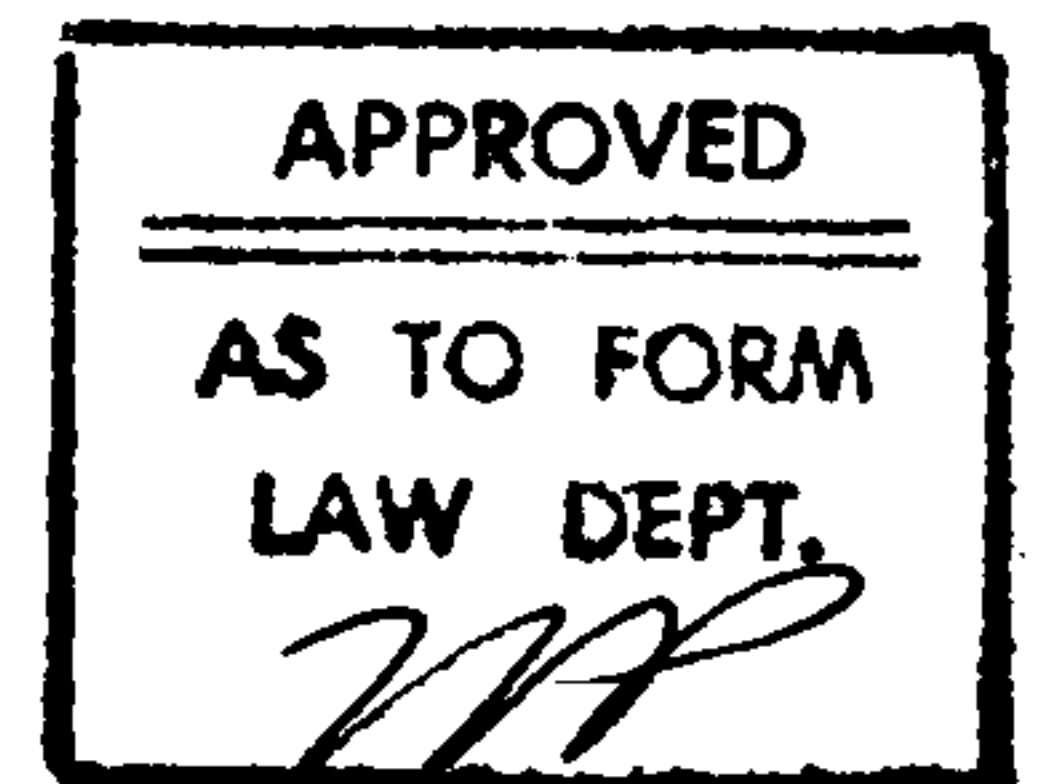
IN WITNESS WHEREOF, this Declaration of Protective Covenants of Hillsboro (Residential) has been executed by the UNITED STATES STEEL CORPORATION, a Delaware corporation, effective the 20th day of November, 2006.

ATTEST:

UNITED STATES STEEL CORPORATION,

By: Michael M. Tartan
Its Assistant Secretary

By: Thomas G. Howard
Title: General Manager-Southeast
USS Real Estate, a division of
United States Steel Corporation



STATE OF ALABAMA
COUNTY OF JEFFERSON

I, Michael M. Tartan, a Notary Public in and for said County in said State, hereby certify that Thomas G. Howard whose name as General Manager-Southeast of USS Real Estate, a division of UNITED STATES STEEL CORPORATION, a Delaware 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 said 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 this the 20th day of November, 2006.

Michael M. Tartan
Notary Public

NOTARIAL SEAL

My commission expires: 2-25-2009

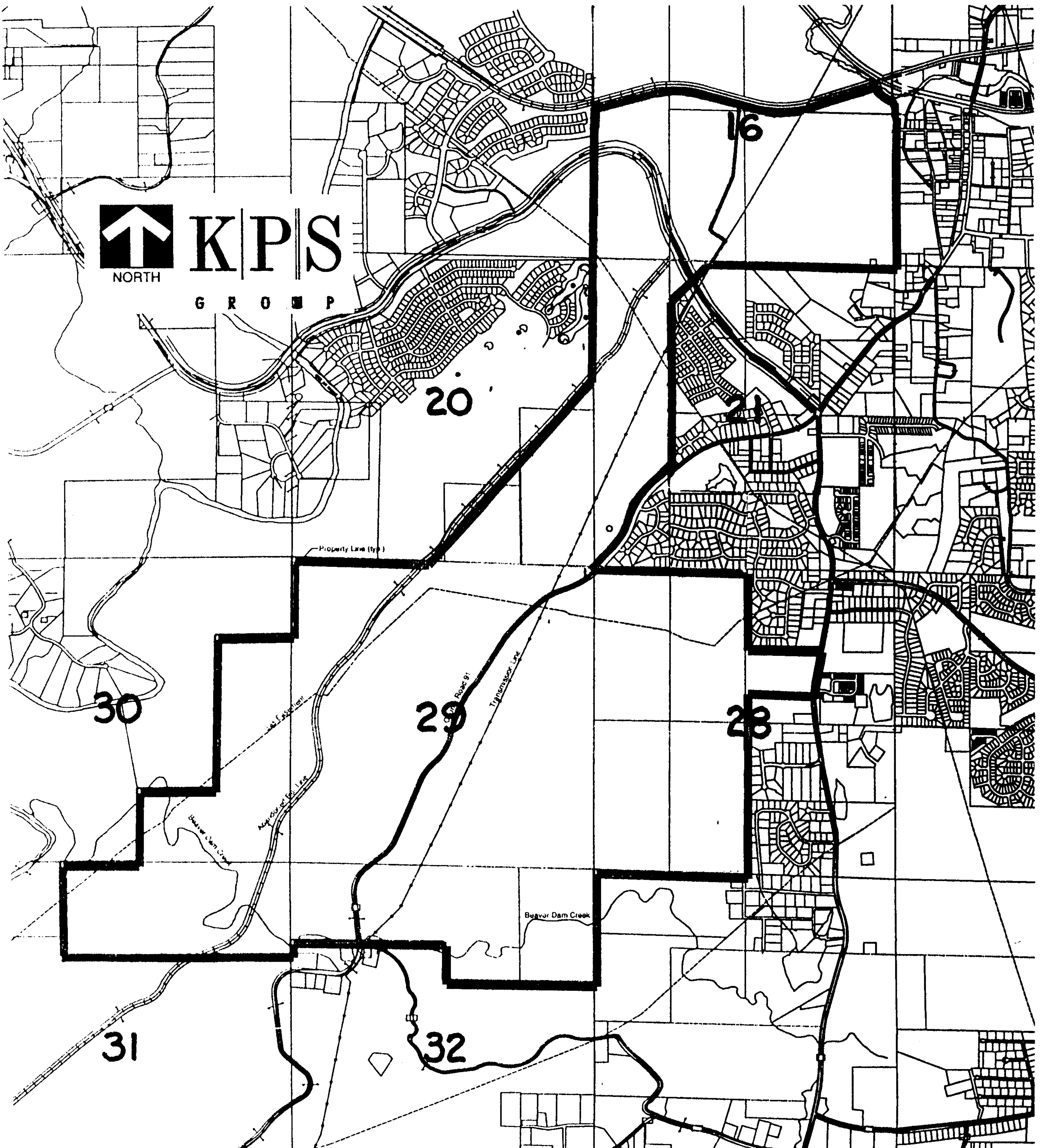
THIS INSTRUMENT PREPARED BY:

R. Burns Logan
Balch & Bingham
P.O. Box 306
Birmingham, Alabama 35201

EXHIBIT A

TOWNSHIP 20 SOUTH, RANGE 3 WEST

SHELBY COUNTY, ALA.



HILLSBORO PROPERTY