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DECLARATION OF CONDOMINIUM

OF

SOUTHLAKE PARK

A CONDOMINIUM

This Instrument prepared by:
James R. Moncus, Jr.
Attorney at Law
1313 Alford Avenue
Birmingham, Alabama 35226

Please return original to:
James R. Moncus, Jr.
Attorney at Law
1313 Alford Avenue
Birmingham, Alabama 35226

**DECLARATION OF CONDOMINIUM
OF
SOUTHLAKE PARK
A CONDOMINIUM**

THIS DECLARATION is made this 25th day of July, 2008, by Providence Park Partners II, L.L.C., an Alabama Limited Liability Company (the "Developer"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991, Code of Alabama 1975 35-8A-101 et seq. (The "Act"), for the purpose of forming a non residential condominium and establishing certain easements, covenants and restrictions to run with the land:

WITNESSETH:

WHEREAS, Developer is the owner of certain real property located in Shelby County, Alabama, more particularly described on **Exhibit A** attached hereto on which is located 8 condominium units in 2 buildings, and certain other improvements in accordance with the Plan of Southlake Park, A Condominium, prepared by Carr & Associates Engineers, Inc. and recorded in Map Book 40, Page 43, in the Office of the Judge of Probate of Shelby County, Alabama, a copy of which is included in **Exhibit C** attached to this Declaration (the "Property") or "Condominium Property");

WHEREAS, it is the desire and intention of the Developer, by recording this Declaration, to establish a Condominium (as defined in the Act) to be known as Southlake Park, a Condominium, in phases, and as more particularly set forth herein, and to reserve the right and option in its sole discretion to complete only one phase as market or other considerations so dictate, under the provisions of the Act and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the condominium units contained therein and the owners thereof;

WHEREAS, the first phase development of Southlake Park, a Condominium, will consist of Two (2) separate buildings containing a total of Eight (8) units, together with the amenities described hereinafter. In the future, the Developers intends to construct Eight (8) additional buildings which will contain no more than Thirty-Two (32) units, thereby making the total number of units not to include more than Forty (40) in the total planned project;

WHEREAS, Developer is improving a portion of the real estate described in **Exhibit A** by the construction thereof of Two (2) buildings containing Eight (8) units as above referenced, which said improvements are fully and accurately depicted as to location, layout, unit number, and approximate dimensions, identifying the Common Elements, Limited Common Elements and Private Elements of each building as built, by a site plan, building plans, floor plans and sections prepared by Carr & Associates Engineers, Inc. bearing that firm's certification that said site plan, building

Declaration of Southlake Park
July 25, 2008

plans, floor plans and sections depict the improvements as built.

NOW, THEREFORE, Developer, upon recording hereof, does submit that certain real property situated in Shelby County, Alabama, more particularly described on **Exhibit A** attached to this Declaration, together with the improvements thereon, and owned by the Developer in fee simple absolute, and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article I) to the provisions of the Act to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of said Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof unto non residential condominium ownership and all of which shall run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title or interest in said property or any part thereof, and shall be for the benefit of each Owner of any portion of said property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I

DEFINITIONS

1.01 Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a different meaning therefor:

- (A) “Act” shall mean the Alabama Uniform Condominium Act of 1991, Code of Alabama 1975 35-8A-101 et seq., as the same may be amended from time to time.
- (B) “Association” shall mean Southlake Park Owners Association, Inc. a nonprofit corporation organized pursuant to the Alabama Nonprofit Corporation Act, Code of Alabama 1975 10-3A-1 et seq., of which all Owners shall be members and which corporation shall administer the operation, management, maintenance, control and administration of the Condominium Property.
- (C) “Board of Directors” or “Board” shall mean the Board of Directors of the Association, elected pursuant to the By-Laws of the Association.
- (D) “By-Laws” shall mean the set of By-Laws, a copy of which is attached hereto as **Exhibit B**, recorded simultaneously with this Declaration, providing for the self-government of the Condominium Property by the Association in accordance with 35-8A-301 of the Act, and such amendments thereto as may be recorded from time to time pursuant to the provisions of the Act.

Declaration of Southlake Park
July 25, 2008

- (E) “Common Elements” shall mean and include the following:
- (a) The Land (as herein defined), and footing, foundations, perimeter walls, concrete slabs, columns, beams and supporting members;
 - (b) The roofs and roof appurtenances;
 - (c) The compartments or installations of central services such a power, light, electricity, gas, fire protection, cold water, plumbing, reservoirs, water tanks and pumps, sewer lines, flues and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use; and within the confines of the private elements.
 - (d) The premises and facilities, if any, used for the maintenance or repair of the Property;
 - (e) Greens, gardens, yards, roadways, landscaping, mail boxes, central trash collection, walkways and irrigation systems, and common lighting system equipment and accessories;
 - (f) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property unless specifically included in any Unit;
 - (g) All other elements (other than Private Elements) desirable or appropriately for common use or necessary to the existence, maintenance, upkeep and safety of the Condominium Property; and
 - (h) All streets and roads and parking areas forming a part of the Condominium which are not public thoroughfares owned or maintained by the applicable municipality, county, or state.
- (F) “Common Expenses” shall mean the expenses arising out of the ownership of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterments of the Common elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and expenses declared to the Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof. The Common Expenses shall not include charges imposed upon the Owners under the Condominium Documents for usage of various components of the Common elements.
- (G) “Common Surplus” shall mean the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Elements.

- (H) “Condominium Documents” shall mean the Declaration of Condominium and all Exhibits thereto, the By-Laws, and the Articles of Incorporation of the Association, as the same shall be amended from time to time.
- (I) “Declaration of Condominium” or “Declaration” shall mean this instrument and all Exhibits hereto as it may, from time to time, be amended.
- (J) “Developer” or “Declarant” shall mean Providence Park Partners II, LLC, an Alabama Limited Liability Company, its successors and assigns, other than an Owner, who shall receive by assignment from the said Developer all or a portion of its rights hereunder as such Developer, by an instrument expressly assigning such rights as Developer to such assignee.
- (K) “Insurer” shall mean an insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of the Eligible Insurer’s name and address and that it has insured or guaranteed a first Security Interest in a Unit. Such notice will be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article VII.
- (L) “Mortgage” Shall mean a mortgage lien encumbering one or more Units.
- (M) “Mortgagee” shall mean the holder of a first Security Interest in a Unit which has notified the Association in writing of the Eligible Mortgagee’s name and address and that it holds a Security Interest in a Unit. Such notice will be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article VII.
- (N) “Land” shall mean the parcel or tract of real estate described in **Exhibit A** to this Declaration, submitted to the provisions of the Act, and such other parcels or tracts of real estate as may be submitted to the provisions of the Act by amendment of this Declaration.
- (O) “Limited Common Elements” shall mean and include any area designated as “Limited Common Elements” on the Plans and any amendment thereto and areas defined in the Act of Limited Common Elements. Should any Limited Common Element be determined not to be a Limited Common Element under the Act, the same shall be part of the common Elements with an exclusive easement of use appurtenant to the Unit(s) to which it was originally assigned as a Limited Common Element.
- (P) “Limited Common Expense” shall mean the expenses arising out of the ownership

of Limited Common Elements for which the Owners of the Limited Common Elements may be liable to the Association on a pro rata basis should the Association decide to make such assessment. The Association may combine the Limited Common Expenses with the Common Expenses and assess the Limited Common Expenses the same as Common Expenses. Limited Common Expenses shall include, but may not be limited to the expenses of maintenance, operation, repair, replacement, restoration, renovation of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents as may be amended from time to time in accordance with the provisions thereof.

- (Q) “Member”, “Owner” or “Unit Owner” shall mean and refer to every person or entity who is a record owner of a Unit, and a member of the Association.
- (R) “Plan” or “Plat” shall mean the as-built Plan showing the Private Elements and the Common Elements and Limited Common Elements of the Condominium Property attached hereto as **Exhibit C**, and made a part hereof for all purposes, as such Plan may from time to time be amended.
- (S) “Private Elements” shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner. Each private Element is identified in the Plan and shall consist of the Private Element in a diagrammatic floor plan of the building in which it is situated as shown on the Plan and shall consist of the volumes or cubicles of space and improvements which lie between the lower, upper and lateral or perimetrical boundaries described as follows:
 - (T) “Boundaries Vertical and Horizontal”
 - (a) Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be vertical planes formed by the interior, unexposed surfaces of the wallboard separating the Unit from the exterior wall of the building. With respect to common walls between Units, the perimetrical or vertical boundary of the Units served thereby shall be the vertical plane constituting the centerline of the common wall between Units extended until such plane intersects the exterior unexposed surface of the upper and lower planes (boundaries) perpendicular to said plane (boundary).
 - (b) Horizontal Boundaries.
 - (i) If the Unit is on the top floor of a two-story building, the upper horizontal boundary of such Unit is the exterior, unfinished, unexposed surface of the wallboard or other material comprising the

Declaration of Southlake Park
July 25, 2008

ceiling of the Unit. The lower horizontal boundary of such Unit is the uppermost surface of the lightweight concrete or other material comprising the subflooring of the Unit, with the finish flooring, if any, constituting part of the Unit and the lightweight concrete or other material subflooring and supporting members not constituting part of the Unit.

(ii) If the Unit is on the bottom floor of a two-story building, the upper horizontal boundary of such Unit is the lowermost surface of the ceiling system, whether it be wallboard or other material. The lower horizontal boundary of such Unit is the concrete slab on which the Unit is constructed, with the finish flooring, if any, constituting part of the Unit and the concrete subflooring and building foundation not constituting part of the Unit.

(c) Additional Information to Interpret Unit Boundaries. Entry doors and exterior glass surfaces, including, but not limited to, windows and doors, serving the Unit shall be included within the boundaries of the Unit. The surrounds, frames and visible accessories to entry doors and the windows, while included within the boundaries of the Units and thus private elements may only be selected, replaced or modified with the prior written approval of the Board of Directors of the Association and consideration shall be given to type, color, finish, style, and compatibility with others in Southlake Park and within the same field of view. There shall be no differences in entry doors which are side by side on the same floor of any building.

The ownership of each Unit shall include, and there shall pass with each Unit, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with the membership in the Association and an undivided interest in the funds and assets held by the Association.

Each Private Element or Unit shall include all interior partition walls located within the boundaries of the Private Element except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, kitchenette, cabinets, bathroom fixtures and appliances and water and sewage pipes serving only the Private Element even though same may be located outside the boundaries of the private Element; and the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Private Element, including the individual compressor even though such equipment may be located outside the boundaries of the Private Element, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Private Element and forming a part of any system serving one or more other

Declaration of Southlake Park
July 25, 2008

Private Element or the Common Elements shall be deemed to be a part of such Private Element; and provided further that no weight bearing wall providing structural support and located within the boundaries of the Private Element shall be deemed part of the Private Element.

Private Elements also shall include a portion of the attic above each upper level Unit if specifically assigned said attic space. Attic storage spaces shall be used solely for the purpose of storing any property belonging to the Owner or Occupant of the Unit to which such storage space is assigned. No Owner or Occupant shall store any explosives, or any flammable, odorous, noxious, corrosive, hazardous or pollutant materials or any other goods in the space which would cause danger or nuisance to the attic space or the Condominium, or occupant. The Attic space shall not be used for any purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. No objects may be placed anywhere in the attic of a Building except in that portion of the attic constituting an assigned attic storage space. No Unit Owner or Occupant shall place an excessive load on any attic storage space. Those portions of attics not constituting an assigned storage space are not designed to support the weight of stored goods or materials. If hazardous substances are stored, used, generated or disposed of on or in the attic storage space or if the attic storage space becomes contaminated in any manner for which the Owner or Occupant thereof is legally liable, Owner or Occupant shall indemnify and hold harmless the Declarant, Association and Board of Directors from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses and any and all sums paid from settlement of claims, attorneys' fees, consultant and expert fees, arising as a result of that contamination by Owner or Occupant. As with the other Private Elements, the maintenance, repair, upkeep and replacement of each attic space components, shall be the exclusive responsibility of the Unit Owner.

If any of the foregoing definitions are inconsistent with the Plans, then this definition of Private Elements shall control.

- (U) "Party Walls" shall mean each wall built as part of the original construction of the Units which shall serve and separate any two (2) adjoining Units.
 - (a) To the extent not inconsistent with the provisions of this paragraph, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.
 - (b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.
 - (c) Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has benefitted by the wall may restore it, and the other Owner or Owners

Declaration of Southlake Park
July 25, 2008

thereafter who are benefitted by the wall shall contribute to the cost of restoration thereof in equal proportions, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful act or omissions.

- (d) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this paragraph shall be appurtenant to the land and shall pass to such Owner's successors-in-title.
- (V) "Property" or "Condominium Property" or "Project" or "Condominium" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as amended from time to time.
- (W) "Rules and Regulations" "Association Rules" "Rules" shall mean those Rules and Regulations adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents.
- (X) "Security Interest" shall mean an interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.
- (Y) "Supplemental Declaration" shall mean the annexation document or amendment used to phase-in additional land as part of this Declaration pursuant to Article XIII.
- (Z) "Unit" or "Condominium Unit" shall mean the Private Elements as shown on the Plat together with the undivided interest in the Common Elements and the Limited Common Elements, if any, assigned to each Unit as herein provided.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Declaration of Southlake Park
July 25, 2008



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2.01 Description of Improvements and Identification of Units. The Condominium Property shall consist of non residential buildings, each constructed primarily of wood frame and brick veneer, on poured concrete footings and concrete slabs with stud walls and brick and wood veneer, or composition siding with composition shingle roofs, containing a total of Eight (8) Units (Phase I).

Unless expanded as provided herein, the Condominium Property shall contain not more than Forty (40) Units. A plat of the Land and improvements thereon and a graphic description of the improvements in which the Units are located, identifying each Unit by a number and letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the floor plans attached hereto as **Exhibit C** or and/or in the Plans recorded in connection herewith.

2.02 Amendment of Condominium Plan. Developer reserves the right to change the interior design and arrangement of all Units, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Developer owns the Units so altered. Additionally, Developer, at its sole option, may develop this Project on an incremental or phased basis. It is the intention of the Developer to construct thirty-two (32) additional units on the plat of the property labeled "Need Not be Built" on the Plan. Inclusion of the additional Units and changes in the boundaries between Private Elements, as hereinbefore provided, shall be reflected by an amendment to the Plan, and if necessary, an amendment to this Declaration pursuant to the Supplemental Declaration. An amendment to the Plan or the Declaration reflecting the inclusion of the additional Units or an alteration of the boundaries of the Units owned by Developer need be signed and acknowledged only by the Developer and need not be approved by the Owners and Eligible Mortgagees, whether or not such approval may elsewhere be required herein.

2.03 Parking Space Designations. There shall be no parking space designations for any Unit, unless and until this Declaration is Amended by the Developer and/or the Association.

2.04 Easements and Restrictions. The Units, The Private Elements, Common Elements and Limited Common Elements if any shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Private Elements, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. Said private Elements, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property, which easements and restrictions are described in **Exhibit F** attached hereto.

- (A) Utility Easement. Utility easements are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas electricity, telephone and cable television and cable for

Declaration of Southlake Park
July 25, 2008

internet service) in order to adequately serve the Condominium Property.

- (B) Utility Equipment. There may be utility equipment located on the Common Elements appurtenant to some Units. An easement is hereby reserved in favor of each unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the appurtenant Unit; provided that no utility equipment shall be placed in any part of the Common Elements or Limited Common Elements except as established by the Developer or unless the written approval of the Association shall have first been obtained.
- (C) Easements for Ingress and Egress. The Common Elements and Limited Common Elements, if any, shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement of way over all roads, parking areas, walkways, and other common areas in favor of all Owners for all proper, reasonable, customary and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners, subject to all restrictions in the Condominium Documents.
- (D) Easement for Use of Leased or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise for all normal, reasonable, customary and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules and Regulations.
- (E) Easements for Encroachments. To the extent that any Private Element or Common Element or Limited Common Elements, if any, encroaches on any other Private element, Common element, or Limited Common Element, whether by reason of any deviation from the plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Private Element, Common Element or Limited Common Element stands. A valid easement shall not relieve an Owner of liability for his or his agent's negligence or intentional acts in cases of willful and intentional misconduct by him or his agents or employees. In the event any Unit, and adjoining Unit, or any adjoining Common Elements or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit or of any Unit upon any other Private Elements, Common Elements or Limited Common Elements resulting from

Declaration of Southlake Park
July 25, 2008

such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

- (F) Easement of Support. Each Private Element and the Common Elements and Limited Common Elements shall have an easement of support from every other Private Element and the Common Elements which provide such support.
- (G) Easement for Use of Limited Common Elements. Each Owner of the Limited Common Elements, if any, shall have an easement for the repair, maintenance and upkeep of the Limited Common Elements and for vehicular and pedestrian ingress and egress to and from the Limited Common Elements for so long as the Limited Common Elements exists. The aforesaid easement shall be for the benefit of each Owner of the Limited Common Elements and its lessees, licensees and invitees.
- (H) Easements Appurtenant to Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

2.05 Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of his Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Unit. The extent or amount of such ownership shall be expressed by a percentage relating to each unit and shall remain constant, unless changed in accordance with the provisions of Section 2.02 hereof or by the unanimous approval of all Owners and Mortgagees. The percentage ownership in "the Common Elements" relating to each unit is as set forth on **Exhibit D** attached hereto. The formula used to calculate a Unit Owner's individual interest is by allocating equal percentage interest to each Unit. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

2.06 Ownership of Limited Common Elements. The ownership of the Limited Common Elements, if any, shall be as set forth on **Exhibit D** attached hereto. The extent or amount of such ownership shall be expressed by a designation or description of the Limited Common Elements

Declaration of Southlake Park
July 25, 2008

which are appurtenant to a give Unit, and the Owners of such Units shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Developer as permitted in Section 2.02 hereof or by the unanimous approval of the Owners of the Limited Common Elements and their respective Eligible Mortgagees. Each Owner of a Unit to which the Limited Common Element is attached shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of his Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units to which the Limited Common Elements, if any, are attached.

2.07 Developer's Easement. Developer shall have a non-exclusive easement and right of way for ingress and egress, by vehicle or by foot, in, to, upon, and over the roads, streets and walks located within the Condominium Property, as shown and described in the Plan, for all purposes for which such roads, streets and walks are commonly used, including the transportation of construction material for use in the development of any portion or portions of the Condominium Property, as the same may be expanded hereunder from time to time, until such time as all Units have been sold and for a period of two years thereafter.

ARTICLE III

ORGANIZATION AND MANAGEMENT

3.01 Management of the Condominium Property. Operation and administration of the Condominium Property shall be performed by Southlake Park Owners Association, Inc., an Alabama Nonprofit Corporation. The powers and duties of the Association shall include those set forth in the Act, the Alabama Nonprofit Corporations Act, Code of Alabama 1975 10-3A-1 et seq., this Declaration, the Articles of Incorporation and the By-Laws.

3.02 Members. The members of the Association shall consist of all record Owners of the Units. Change in membership in the Association shall be established by recording in the public records of Shelby County, Alabama, the deed or other instrument establishing record title to a Unit of the Condominium Property, and the delivery to the Association of a certified copy of such instrument, the Owners designated by such instrument thereby becoming a record Owner and a member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the By-Laws. Each Unit Owner is entitle to the number of votes for each unit owned by him as set forth in **Exhibit D** attached hereto.

3.03 By-Laws. The By-Laws of the Association shall be in the form attached ~~Exhibit B~~ to this Declaration, and may be amended from time to time as set forth therein.

Declaration of Southlake Park
July 25, 2008

ARTICLE IV

ASSESSMENTS

4.01 Liability, Lien and Enforcement. The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Declaration. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owners, their employees, agents, guests, invitees or tenants for damages of any nature and for penalties for rules violations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

4.02 Assessments.

- (A) All Assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.
- (B) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.
- (C) The Association may assess the Owners of Units for the repair and maintenance of

various components of the Common Elements or Limited Common Elements and reserved therefor based on the usage of any component of the Common Elements or Limited Common Elements. Such assessments shall not be included in the assessment for Common Expenses, but shall be payable in such manner and as such times as may be determined by the Board of Directors of the Association.

- (D) Any Common Surplus shall remain in an account of the Association and shall not be refunded to the Unit Owners.
- (E) If a Unit Owner fails to comply with any repair or maintenance obligation contained herein, the Association will have the remedies set forth in Section 6.05.

4.03 Annual Budget. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt a proposed annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance fo the Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act and this Declaration. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be made available to each Unit Owner and the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after delivery of the budget to the Unit Owners. Unless at the meeting a majority of the Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected the budget for the last year shall continue in effect until such time as a new budget is ratified. If the budget is ratified the assessment for said year shall be established based upon such budget.

Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act. The initial projected and estimated annual maintenance budget for the Condominium Property is attached to this Declaration as **Exhibit E**.

4.04 Omission of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Declaration of Southlake Park
July 25, 2008

4.05 Detailed Records. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner of his representative at convenient hours of weekdays in the county where the condominium is located.

4.06 Payment of Common Expenses and Limited Common Expenses By Unit Owners. All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article IV. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the common Elements, Limited Common Expenses or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses for Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him or such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance and such purchaser shall agree to assume the obligation without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Declaration, the Association upon written request of the Owner or purchaser of such Unit shall furnish to the Owner, the purchaser or any proposed Eligible Mortgagee (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment or charge which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Eligible Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be applied by purchaser or Eligible Mortgagee to the payment of any delinquent assessment or installment due the Association before application of the payment to the selling Unit Owner.

4.07 Default in Payment of Assessments.

- (A) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the maximum legal rate or 10%, whichever is greater, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and

does secure the monies due for all assessments then or thereafter levied against the Owner of each Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. The lien granted to the association may be foreclosed in the same manner as real estate mortgages in the State of Alabama but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Eligible Mortgagee and all other lien holders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate on judgments or 10%, whichever is greater, on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

- (B) The lien herein granted to the Association shall be effective from and after the time of recording in the Probate Office of Shelby County, Alabama, the Declaration of Condominium of Southlake Park, a non residential condominium, and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced, plus late penalties and penalties imposed by the Association for Rules and Regulations' violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

4.08 Election of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

4.09 Other. Any sale or transfer pursuant to foreclosure will not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, any assessments made thereafter.

ARTICLE V

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

5.01 The Association's Obligation to Repair. The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense:

- (A) The Common Elements, which by definition excludes the surfaces of all interior walls, floors, ceilings, entrance doors, and windows of a Unit;
- (B) Incidental damage caused to a Unit by any work done by the Association; and
- (C) Portions of the Units contributing to the support of the building, including outside walls and load bearing columns, excluding, however, interior wall and floor surfaces.

The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the Limited Common Elements, the cost of which shall be charged to all Unit Owners to which said Limited Common Elements being maintained repaired or replaced attach either as a Common Expense or a Limited Common Expense in the discretion of the Board of Directors.

This Section 5.01 shall not relieve a Unit Owner of liability for damage to the Common Elements, Limited Common Elements, a Unit of another person, adjacent property or any other property caused by the Unit Owner, his firm or other entity, guests, employees agents, invitees, lessees or licensees as a consequence of the negligence, accident, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Unit Owner, his employees, agents, guests, invitees, lessees or licensees, shall be a special assessment against the Unit Owner responsible thereof.

5.02. Each Owner's Obligation to Repair.

- (A) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each owner shall, at such Owner's expense, maintain the Private Elements attributable to his Unit in good tenant able condition and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in his Unit.
 - (a) The fixtures and equipment in his Unit, including any refrigerator, microwave and all other appliances within the Unit, drains, sinks, plumbing and plumbing fixtures and connections within the Unit; electrical panels, wiring,

Declaration of Southlake Park
July 25, 2008

outlets and electric fixtures within the Unit; interior doors, windows and window frames, screening and glass; all exterior doors, except the painting or finishing of the exterior faces of the exterior doors (both the door unit and the frame); and windows to the exterior of the Units which shall be the responsibility of the Association; all wall coverings including paint, wallpaper or wall coverings and light coverings; and all flooring including carpeting, vinyl and ceramic tile within a Unit;

- (b) The plumbing, heating, air conditioning and electrical systems serving only that Unit, whether located within or without the boundary of that Unit, including the breaker boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is within another Unit or requires access to another Unit, the repair, maintenance or replacement thereof shall be performed by the Association, and the cost thereof shall constitute an assessment against the Unit Owner responsible therefor; and

(B) Each Unit Owner agrees as follows:

- (a) To perform all maintenance, repairs and replacements which are his obligation under subparagraph (a) of this Section 5.02;
- (b) To pay all utilities as herein provided and all taxes or other assessments levied against his Unit.
- (c) Not to make, or cause to be made, repairs to any plumbing, heating, ventilation or air conditioning systems located outside his Unit but required to be maintained by him under subparagraph 5.02(a)(ii) except by licensed plumbers or electricians authorized to do such work by the Association or its delegate;
- (d) Not to do any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner;
- (e) Not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, including without limitation, courtyards, driveways, roadways or parking areas appurtenant to a Unit, excluding any alteration or additions made pursuant to the procedure described in subparagraph (iv) above and including, but not limited to, altering in any way exterior doors, affixing out shutters to windows or painting any part of the exterior part of his Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may

Declaration of Southlake Park
July 25, 2008

be adopted by the Association and the Unit Owner shall be liable for all damages to another Unit or to the Common Elements or Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise;

(f) To promptly report to the Association any matter needing alterations or repairs for which the Association is responsible.

(C) The Association shall be obligated to answer any request by a Unit Owner for any required approval of a proposed addition, alteration or improvement (by painting or otherwise) within forty-five (45) days after such request, but its failure to do so within the stipulated time shall not constitute a consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Association, without, however, it incurring any liability on the part of the Board of Directors or any of them or the Association to any contractor, subcontractor or material man on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this Section 5.02 shall in no way make the Association liable for any alterations, additions, or improvements by any Unit Owner. Rather, such review is for purposes of aesthetics and control only. The provisions of this section shall not apply to Units owned by the Developer until a deed for such Unit has been delivered to a purchaser other than Developer.

5.03 Alterations, Additions and Improvements by the Association. Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Article VIII of the Declaration or the addition of additional Units contemplated by this Declaration, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements (other than for the purpose of replacing, restoring or rehabilitating portions of the Common elements or Limited Common Elements which is in accordance with the Declaration) unless the same is authorized by the Board of Directors of the Association and ratified by the affirmative vote of the voting members casting not less than 75% of the total votes of the members of the Association present at any regular or special meeting of the Unit Owners called for that purpose at which a quorum is present and approved by a majority of the Eligible Mortgagees eligible to vote therefor. The cost of the foregoing shall be assessed against the Owners of Units as provided in Article IV hereof except as exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Unit Owners exclusively, or substantially exclusively, benefitting therefrom, and the assessment shall be levied in such proportions as may be determined to be fair and equitable by the Board of Directors

Declaration of Southlake Park
July 25, 2008

of the Association. Where such alterations or additions exclusively, or substantially exclusively, benefit Unit Owners requesting the same, said alterations and additions shall be made only when authorized by the Board of Directors and ratified by not less than 75% of the total votes of the Unit Owners exclusively, or substantially exclusively, benefitting therefrom. Alterations, improvement or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation if the same is necessary and in the best interest of the Unit Owners.

5.04 Utilities. Each Unit Owner shall be required to pay all charges for utilities, including electricity, gas, internet cable, and telephone service used or consumed in his Unit. The utilities serving the Common Elements only, shall be separately metered and paid by the Association as a Common Expense. The Association shall have authority to pay the cost of the utilities used or consumed in the Unit or Units and have the costs thereof apportioned among the Units based upon the Common Expense liability, use of the utility, or any other formula the Association may deem appropriate.

ARTICLE VI

RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

6.01 Rules and Regulations of the Association. The Board of Directors may alter, amend, delete or change these Rules and Regulations at any time upon a majority vote thereof, and the Association is authorized to enforce Rules and Regulations concerning the operation and use of the Condominium; provided that such Rules and Regulations are not contrary to or inconsistent with the Act and the Condominium Documents. A copy of the rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time they become effective. All present and future Unit Owners, tenants, and occupants of the Units and any person who uses any part of the Condominium Property in any manner, are subject to and shall comply with the provisions of the Condominium Documents and the Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any one person, firm or other entity shall constitute their agreement to be subject to and bound by the provisions of the Condominium Documents and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the land and shall bind any person, firm or other entity having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by a Member, employees, agents, guests, invitees, lessees or renters, including the payment of penalties for such violations.

6.02 Restrictions on Use. The use of the Condominium Property is subject to the following

Declaration of Southlake Park
July 25, 2008

restrictions:

- (A) No part of the Condominium Property shall be used for other than general, private and professional office use and the related common purposes for which the Condominium Property was designed and for which the property is zoned. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Unit Owner from:

Such uses are expressly declared customary and incidental to the general office and professional use and shall not be deemed a violation of these restrictions. All use of the Condominium Property and any Unit therein shall conform to applicable zoning ordinances, and all other laws and regulations of State, County and Municipal authorities having jurisdiction.

- (B) The Common Elements and Limited Common Elements shall be used only for access, ingress and egress to and from the respective Units by the persons, firms, or other entities owning said Units and their respective guests, invitees, employees, agents and representatives and other authorized visitors, and for other purposes incidental to the designated use of the respective Common Elements and Limited Common Elements. Designated walkways and paved areas shall be used at all times and shortcuts shall be avoided both to prevent accidents and to preserve the appearance of the planted areas. The sidewalks and driveways must not be obstructed or encumbered or used for any purpose other than access, ingress, egress and for parking (except that under no circumstances may automobiles be parked on the sidewalks) or landscaped areas. Bicycles, motorcycles or motor scooters shall not be used on the Common Elements or Limited Common Elements, except for egress and ingress and designated parking areas. Landscaping of the Condominium is the obligation of the Association and no Unit Owner or its occupant shall interfere with any landscaping of the Condominium or plant anything in the Common Elements or Limited Common Elements. No sprinkler or irrigation systems of any type shall be operated within the Condominium Property except by the Association. The Association, the Board of Directors and their authorized employees, agents and representatives shall have such access to any Unit as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the Common Elements, Limited Common Elements, the Units or any portion thereof.
- (C) No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit, the Common Elements, the Limited Common Elements or elsewhere on the Condominium Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise, interference or disturbance to others. The Units are built in close

proximity to one another (resulting in sharing of common walls, floors and ceilings) and noise may be audible from one Unit to the next no matter how much sound proofing is attempted. It is therefore mandatory, for the mutual interest and protection of all Owners, lessees and other Occupants within the Condominium, to recognize that acoustical privacy is achieved only through understanding and compliance with certain limitations and restrictions. The design and construction of the Condominium attempts to meet the recognized standards and criteria related to sound insulation in construction practice today. Owners and Occupants acknowledge that there shall be audio awareness of one's neighbors, depending upon the situation. Within the basic design of the Condominium, efforts have been made to minimize airborne noise, structure-borne noise and impact noise transmission from and to each Unit. Modification of design of the structures, or related components thereof, by Owners and Occupants could alter the resultant expected insulation. Accordingly, all such modifications are regulated by this Declaration and the Owners and Occupants should review the Declaration for further information with respect to sound attenuation. Additionally, all furniture parts in contact with the floor in all Units located above another Unit shall have rubber castors or felt pads to minimize noise and vibration attributable to moving furniture as well as scratching of finishes. Each Unit Owner shall use their Units in a way to minimize the transmission of sound and/or vibration from one unit to another Unit or Units.

- (D) All radios, televisions, phonographs, or other audio instruments, or devices or other items which cause noise shall be played at a level that does not annoy or interfere with other owners enjoyment of their Unit or the Common Elements.
- (E) No waste shall be committed to the Private Elements, Common Elements or Limited Common Elements.
- (F) Alcoholic beverages or illegal drugs shall not be dispensed for sale anywhere within the Project.
- (G) The discharge of firearms or firecrackers or any other type of lighted apparatus within the Condominium Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.
- (H) It is anticipated that some Unit Owners will install security systems in their Units. In such event, they will be required to be the silent alarm type in order to keep from disturbing other Unit Owners.
- (I) Each Unit Owner shall not do or allow anything to be done therein which may increase the rate or cause the cancellation of insurance on any Unit, the Common

Elements or Limited Common Elements.

- (J) All rubbish, trash and garbage shall be regularly removed from the Unit, and shall not be allowed to accumulate thereon. Unit Owner or occupant shall dispose of garbage and trash in accordance with the City of Hoover and/or Shelby County ordinance or other procedure promulgated by the City of Hoover and Shelby County.
- (K) Trash, garbage and other waste shall not be kept except in sanitary containers and shall be disposed of in a clean and sanitary manner in sealed, waterproof bags, so as to avoid leakage in route to any refuse receptacles. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary conditions.
- (L) All equipment, trash cans or recycling containers shall be kept inside until disposed of in appropriate trash collection bins.
- (M) The Association shall be responsible for contracting for the removal of trash at a cost to be assessed by the Association to the Unit Owner monthly as required by the Budget and each Unit Owner shall comply with trash removal company's removal guidelines and schedule. Under no circumstances shall trash be allowed to remain outside of the Unit for any period of time. At its option, the Association may provide for alternative rules regarding garbage/trash removal.
- (N) No toxic or hazardous materials shall be disposed of within the Unit by dumping in the garbage containers or down the drains, or otherwise disposed of on the property.
- (O) Until all of the Units have been sold and occupied by Purchasers, the Developer may use and show one or more of such unsold or unoccupied Units as a model Unit or sales office, and may maintain customary signs in connection therewith notwithstanding the provisions of Section 6.02(V).
- (P) No building, fence, wall, obstruction, outside or exterior wiring, screen, improvement or structure of any kind shall be commenced, installed, erected, painted, repainted or maintained upon any portion of the Private Elements, Common Elements or Limited Common Elements except as provided in Section 5.02.
- (Q) Articles of personal property belonging to any Unit Owner, such as bicycles, benches, chairs, furniture, and other articles shall not be stored or kept in the Common Elements or on any visible Limited Common Elements or on any stoop, sidewalk or driveway. All storage of any item will be confined to the interior of the Unit.
- (R) No Owner shall cause or permit anything to be placed on the outside walls of their

Unit or any wall attached to any Unit,. Such as hanging baskets, wind chimes or any other such items, and no sign, awning, canopy or other fixture shall be affixed to or placed upon the exterior walls or roof of any building or any part thereof. No decorative lights or other exterior lights shall be allowed to be displayed on any Unit even during any holiday season. No artificial vegetation shall be permitted on the exterior of any portion of a Unit. Each unit Owner shall be entitled to display one (1) unobtrusive and inoffensive as determined by the Board temporary exterior decorative item during holiday seasons, but in no event shall the display of a sculpture, flag or fountain be allowed.

- (S) No Unit Owner shall sweep or throw or permit to be swept or thrown from any Unit, including any windows and doorways, any dirt or other substances into any part of the Common Elements or upon the Unit of any other Unit Owner.
- (T) No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Private Elements, Common Elements or Limited Common Elements, without the prior written consent of the Association or its designee. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Condominium Property, should any such master system or systems be utilized by the Association and require any such exterior apparatus.
- (U) The maintenance, keeping of animals of any kind shall be and is hereby prohibited within any unit or upon any Common Elements, or Limited Common Elements except that this provision shall not prohibit the keeping and maintaining of an aquarium of a reasonable size in a Unit which is on the bottom floor of any building other than those chosen and approved by the Developer and/or Association.
- (V) No signs of any character shall be erected, posted, or displayed upon, in, from or about any Unit, the Common Elements or Limited Common Elements, including any window or door of a Unit, without the prior written consent of the Board of Directors.
- (W) The maximum speed limit on the Condominium Property is 10 MPH. All traffic regulations must be observed by each Owner and each Owner's employees, agents, guests or tenants.
- (X) Vehicles shall be parked only in the designated parking areas. The Board of Directors may, in its sole discretion, require registration of vehicles of Owners of Units. There shall be no on-street parking or parking on any grassy or landscaped area. Directors

shall reserve the right to limit or restrict parking as they may deem necessary or desirable. Parking spaces are regulated by the City of Hoover and accordingly, Southlake park has allotted 4 parking spaces per 1000 square feet of office space.

- (Y) No trailer, camper, recreational vehicle, motor home, truck (other than standard size pickup truck or standard size van), boat, inoperable automobile, or similar equipment shall be permitted to remain upon any area on the property. Any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Project. No vehicle repair other than changing of a flat tire shall be made on the Condominium Property. No unlicensed motor vehicles shall be operated upon the Project. For this purpose, "vehicle" shall include: car, van jeep, and those vehicles referred to above that are allowed on only a temporary basis. Public parking is prohibited. No motorized vehicle shall be operated on any walkway or other area except upon the driveways and parking areas designated for vehicle use.
- (Z) A violation of section 6.02(y) will result in the vehicle being towed away at the expense of the Unit Owner and/or the imposition of a fine. The Association shall not be liable for any damages incurred by the vehicle owner because of the removal or for any damage to the vehicle caused by the removal, unless such damage resulted from the intentional or negligent act of the Association or any person causing the removal of or removing the vehicle.
- (AA) Only authorized maintenance personnel are allowed to adjust water valves, sprinklers, light timers, or any other Common Element equipment.
- (BB) Any damage to Common Elements, or Limited Common Elements or adjacent property caused by a Unit Owner, employees, agents, members, guests, tenants, invitees shall be repaired by the Association and shall be assessed against the Unit Owner as a special assessment.
- (CC) No item of common ownership shall be removed by any owner, employee, agent or guest from the Common Elements or Limited Common Elements.
- (DD) No item of common ownership shall be removed by any owner or guest from the Common Elements or Limited Common Elements. Any Owner, employee, agent, guest, tenant or invitee violating this rule shall be sanctioned and subject to criminal prosecution by the Association. The Owner of the Unit in which said employee, agent, guest, tenant or invitee occupies shall be held responsible for the cost of any item so removed.

- (EE) No Owner shall request or cause an employee of the Association, or of any management company employed by the Association, to do any private work except as authorized in writing by the Association.
- (FF) Draperies, shades, shutters or mini-blinds or other window coverings used to cover windows in the Units shall be lined in white, off white or neutral shades, or as may be designated by the Developer or Association.
- (GG) No electrical device creating electrical overloading of standard circuits may be used without permission from the Board. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Unit Owner from whose Unit it shall have been caused. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.
- (HH) Any Owner who wishes to lease their Condominium Unit must meet each and every one of the following requirements, and the lease will be subject to these requirements whether they are included within the lease or not;
 - (a) all leases must be in writing;
 - (b) the lease must be for the entire Unit and not merely parts thereof, unless the Owner remains in occupancy, as to a portion thereof;
 - (c) all leases shall be in the form and manner approved by the Developer and/or Association;
 - (d) all leases shall be subject in all respects to provisions of the Declaration, the By-Laws and all Rules;
 - (e) all Owners who lease the Condominium Units shall promptly notify the Secretary of the Association in writing of the names of all tenants and other persons occupying such Condominiums and shall provide the Secretary of the Association with a complete copy of the lease; all Owners leasing their Condominium Unit shall promptly notify the Secretary of the Association of the address and telephone number where such Owner can be reached. Each tenant shall be required to register their vehicle with the Association;
 - (f) any failure of a tenant to comply with the Declaration, By-Laws, and Association Rules shall be a default under the lease, regardless of whether the lease so provides. In the event of any such default, the Owner immediately shall take all actions to cure the default including, if necessary, eviction of the tenant;
 - (g) the Board of Directors of the Association shall have the authority to contact any Tenant in the Condominium Property and counsel or discuss any relevant issue concerning the Condominium Documents or any violation thereof. If

any Tenant is in violation of the provisions of the Declaration, By-Laws, or Association Rules, the Association may have the right, but not the obligation to bring an action in its own name and/or the name of the Owner to have the Tenant evicted and/or to recover damages. If the court finds that the Tenant is violating or has violated any of the provisions of the Declaration, the By-Laws of the Association, or the Association Rules, the court may find the Tenant guilty of unlawful detainer notwithstanding the fact that the Owner is not the plaintiff in the action and/or the Tenant is not otherwise in violation of Tenant's lease. For purposes of granting an unlawful detainer against the Tenant, the court may assume that the Owner or person in whose name a contract (the lease or rental agreement) was made was acting for the benefit of the Association. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies which the Association has. If permitted by present or future law, the Association may recover all its costs, including court costs and reasonable attorney fees, incurred in prosecuting the unlawful detainer action;

- (h) the Association shall give the Owner notice in writing of the nature of the violation of the Declaration and/or Rules, and ten (10) days from the mailing of the notice in which to cure the violation before the Association may file for unlawful detainer and eviction; and
- (i) each Owner shall provide a copy of the Declaration, By-Laws and all Association Rules to each Tenant of his Unit. By becoming a Tenant, each Tenant agrees to be bound by the Declaration, the By-Laws and the Association Rules, and recognizes and accepts the right and power of the Association to evict a Tenant for any violation by the Tenant of the Declaration, the By-Laws and Rules.

- (II) Each Unit Owner is responsible for every person such Owner admits into the Condominium Property and such entry shall not be permitted except to employees, agents, guests and invitees, or tenants, their employees, agents, guests and invitees.
- (JJ) Any Owner who has his or her Unit for sale is responsible for any person on the Condominium Property viewing such Unit and is responsible for providing ingress and egress to such prospective purchaser or sales agent.
- (KK) Any entry onto the Property by guests or invitees shall be made without revealing to anyone access codes or making available entry keys.
- (LL) All Unit Owners may be required by the Association to maintain monthly pest service with a reputable pest control company.

6.03 Right of Access. Each Unit Owner grants a right of access to his Unit to the Association, and any other person authorized by the Association for the purpose of making inspections and for the purpose of correcting any condition originating in his Unit and threatening other Units, Common Elements or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within his Unit, if any, or to correct any condition which violates the provisions of any Security Interest covering another Unit, or to enforce any provision of the Condominium Documents, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. Each Unit Owner further grants a right of access to his Unit to the Developer or his agent, or other authorized representative who is not Developer's agent, for the purpose of making all repairs required by any warranty delivered to the Unit Owner at the closing of his Unit. To the extent that damages are inflicted on the Common Elements, Limited Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if he caused the same, shall be liable for the prompt repair thereof. The Association shall have the right to grant permits, licenses, and easements over the Common Elements for the installation of utilities, roads and other purposes necessary for the proper operation of the Project.

6.04 Limitation of Liability. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds, for problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, Limited Common Elements or to any Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental or judicial authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

6.05 Abatement of Violations. The violation of any Rule or Regulation adopted by the Board of Directors of the Association or breach of any provisions of this Declaration or of the other Condominium Documents shall give the Developer or the Association the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including court costs, attorney fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the

Declaration of Southlake Park
July 25, 2008

highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner, upon all of his additions and improvements thereto and a security interest under the Alabama Uniform Commercial Code upon all of his personal property in his Unit or located elsewhere on the Condominium Property. Any legal judgment or remedy imposed against the Association shall be a Common Expense.

6.06 Failure of the Association to Insist on Strict Performance; No Waiver. Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors of the Association.

6.07 Use by Developer. Subject to the rights of the Eligible Mortgagees hereunder, neither the Owners nor the Board of Directors of the Association nor their use of the Condominium Property or application of this Declaration shall interfere with the completion of the contemplated improvements and sales of the Units in the Condominium. Subject to the rights of the Eligible Mortgagees hereunder, the Developer may make such use of the unsold Units and of the Common Elements as may facilitate such completion and sale.

ARTICLE VII

RIGHTS OF ELIGIBLE MORTGAGEES AND ELIGIBLE INSURERS

This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests and others as identified in this Article VII. This Article is supplemental to, and not in substitution for, any other provisions of the documents, but in the case of conflict, this Article will control.

7.01 Notification of Eligible Mortgagees and Eligible Insurers Required. Any Eligible Mortgagee or Eligible Insurer shall have the right to be given prompt written notification by the Association by registered or certified mail, return receipt requested (and each Unit Owner hereby consents to, and authorizes such notice) of (a) any sixty (60) day default by the Owner of the Unit covered by the Security Interest in the payment of assessments or in any other provision of the Condominium Documents; (b) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit; (c) a lapse, cancellation or material modification of any insurance

policy or fidelity bond maintained by the Association; (d) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees; and (e) any judgment rendered against the Association.

7.02 Right of Inspection. Unit Owners, Eligible Mortgagees and Eligible Insurers shall have the right during normal business hours to examine current copies of this Declaration, Articles of Incorporation, By-Laws, other rules concerning the Condominium, the books, records and financial statements of the Association or the Condominium Property, and Eligible Mortgagees have the right to receive annual reports, other financial data, and upon request, an annual audited statement, within ninety (90) days following the end of any fiscal year of the Association.

7.03 Required Reserve Funds and Working Capital Fund. Assessments levied by the Board of Directors of the Association shall include a reserve fund based on estimates for maintenance, repair and replacement of those Common Elements and Limited Common Elements that must be replaced or repaired on a periodic basis, and shall be payable in regular installments rather than by special assessments. A working capital fund (the "Working Capital Fund") shall be established and each Unit Owner purchasing a Unit from the Developer shall pay a one-time assessment equal to two months' assessment at the time of closing of the purchase by Purchaser of its Unit to be used by the Association as working capital and a pro rata share of the first years property insurance premium. The amounts paid to fund the Working Capital Fund shall not be advance payments of regular Assessments. The Developer shall not use the Working Capital Fund to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits during its control of the Association. The Working Capital Fund will be transferred to the Association for deposit into a segregated fund when control of the Association is transferred to the Unit Owners. This Working Capital Fund shall be adjusted from time to time as projected costs and expenses become more certain.

7.04 Priority of Eligible Mortgagees.

- (A) Any lien which is or may be created hereunder upon any Unit, including, but not limited to, the lien created for assessments under Section 4.07 hereof and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any Security Interest upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, provided that after the foreclosure of any such Security Interest there may be a lien created pursuant to Section 4.07 hereof on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein.

Notwithstanding the above, the lien created pursuant to Section 4.07 hereof is prior to any

Declaration of Southlake Park
July 25, 2008

Security Interest to the extent of the Common Expense assessments based on the annual budget which would have become due in acceleration during the six (6) months immediately preceding institution of an action to enforce the lien.

- (B) No provision of this Declaration, the Articles, the By-Laws or the Rules and Regulations shall be construed to grant to any Unit Owner, or to any other party, any priority over any rights of the Eligible Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or the Common Elements, the Limited Common Elements or any portion thereof.
- (C) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing or assessing authority which may become liens prior to a Security Interest shall be separately assessed against and collected on each Unit as a single parcel, and not on the Condominium Property as a whole.
- (D) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Security Interest made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

7.05 Request for Protection By Eligible Mortgagees or Eligible Insurers. Whenever the holder of any Security Interest desires the benefit of the provisions of this Article VII to be applicable to it, it shall serve written notice of such fact upon the Association, by registered or certified mail, addressed to the Association, and actually mailed to its address stated herein, identifying the Unit upon which it holds a Security Interest or identifying any Units owned by it, together with sufficient pertinent facts to identify any Security Interest which may be held by it. Said notice shall designate the place to which the notices are to be given by the Association to such Eligible Mortgagee or Eligible Insurer, as applicable.

ARTICLE VIII

CASUALTY LOSS AND INSURANCE

8.01 Responsibility of Owners; Separate Insurance Coverage.

- (A) The Owner of each Unit may, at its expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects, and other property belonging to such Owner, and may, at its expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Unit or upon the Common Elements or Limited Common Elements. Risk of loss of or

Declaration of Southlake Park
July 25, 2008

damage to any furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored in any Unit, or in or upon Common Elements or Limited Common Elements, shall be borne by the Owner of each Unit.

All furniture, furnishings and personal property constituting a portion of the Common Elements or Limited Common Elements and held for the joint use and benefit of all Owners or Units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereinafter provided. Each Owner shall be required to notify the Association of all improvements made by the owner to its Unit, the value of which is in excess of \$1,000. All insurance obtained by the owner of each Unit shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or Developer, and their respective servants, agents, employees and guests.

- (B) Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance. In the event casualty insurance maintained by an Owner causes a decrease in the amount of the insurance coverage maintained by the Association for the benefit of all Owners on a casualty loss to the Condominium Property by reason of proration or otherwise, the Owner so maintaining such insurance shall be deemed to have assigned to the Association the proceeds collected on such policy for loss or damage to the Condominium Property and such proceeds shall be paid directly to the Association by the insurer. Any such insurance proceeds shall be applied and distributed by the Association in accordance with this Article VIII.

8.02 Insurance to be Maintained By the Association.

- (A) Hazard Insurance. The Association shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, insuring the Condominium Property (which includes all buildings on the Condominium Property, including the Units and all fixtures, equipment and any Improvements or betterments, whether part of a Unit or Common Element, and such personal property of Unit Owners as is normally insured under building coverages), but excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors, underground pilings, piers, pipes, flues and drains (and other items normally excluded from property policies) against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements, and if the Condominium Property is located in

an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Board shall, to the extent obtainable, insure the insurable property included in the Condominium Property against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than 100% of the then current replacement cost of the improvements which constitute the Condominium Property. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association or the Insurance Trustee (hereinafter defined), as trustee for the use and benefit of the individual Owners (without naming them) in the proportionate shares equal to their respective percentage ownership of the Common Elements and Limited Common Elements. Periodically, prior to the renewal of any such policy or policies of insurance, the Association should obtain an opinion or an appraisal from a qualified appraiser for the purpose of determining the full replacement cost of the Common Elements and Limited Common Elements and the Units for the amount of insurance to be obtained pursuant hereto. The cost of any such opinion or appraisal shall be a Common Expense. All such policies of insurance shall comply with the provisions of Section 8.03 hereof and shall (i) contain standard mortgagee clause endorsements in favor of the Eligible Mortgagee or Eligible Mortgagees of each Unit, if any, as their respective interest may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner.

- (B) Public Liability and Property Damage Insurance. The Association shall obtain and maintain at all times a comprehensive policy or policies of public liability and property damage insurance in such amount (but not less than \$1,000,000) and in such form as shall be required by the Association to protect said Association and the Owners of all Units which provide coverage for bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements and Limited Common Elements and for legal liability resulting from employment contracts to which the Association is a party.
- (C) Workmen's Compensation Insurance. The Association shall obtain and maintain at all times a policy or policies of workmen's compensation insurance to meet the requirements of the laws of the State of Alabama.
- (D) Fidelity Bonds. The Association shall obtain and maintain fidelity bonds for any person who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services, naming the Association as the obligee. The amount of the fidelity bond shall be determined by the Board of Directors of the Association.

- (E) Other Insurance. The Association shall obtain and maintain such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all Units, including, but not limited to, Directors' and Officers' Liability Insurance, if reasonably available, covering all of the Directors and officers of the Association in such limits as the Board of Directors may, from time to time, determine.

8.03 Governing Provisions. All insurance obtained and maintained by the Association as provided in Section 8.02 above shall be governed by the following provisions:

- (A) All policies shall be written with a company licensed to do business in the State of Alabama and holding a financial rating of Class V or better and a general policyholders rating of "A" or better by Best's Insurance Reports or other then comparable rating.
- (B) Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property shall be vested in the Association or its authorized representatives.
- (C) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Eligible Mortgagees.
- (D) The Association shall be required to make every effort to secure insurance policies that will provide for the following:
- (a) A waiver of subrogation by the insurer as to any claims against the association, the Board of Directors, the Developer or the Owners or members of his household;
 - (b) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Eligible Mortgagee of each Unit;
 - (c) The insurance coverage will be primary, even if a Unit Owner has other insurance that covers the same loss;
 - (d) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;
 - (e) The name of the insured will be substantially as follows: "Southlake Park Owners Association, Inc. for the use and benefit of the individual owners";

Declaration of Southlake Park
July 25, 2008

(f) The loss shall be adjusted with the Association.

8.04 Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements by an Owner shall be assessed against that Owner.

8.05 Insurance Trustee. The Association may engage the services of a bank or trust company authorized to do trust business in the State of Alabama and having a capital and surplus of not less than \$50,000,000 to act on its behalf as an insurance trustee ("Insurance Trustee") and to receive and disburse the insurance proceeds in accordance with the provisions of this Declaration. In the event the lowest of two bids from reputable contractors for making all repairs required by any such loss shall exceed \$20,000, the Association upon written demand of the Eligible Mortgagee of any Unit shall engage the services of a bank or trust company to act as Insurance Trustee as aforesaid. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make a distribution of insurance proceeds to Owners or Units and their Eligible Mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, which certificate will be provided to said Insurance Trustee upon request to the Association. Such certificate is to certify unto said Insurance Trustee whether or not damaged or destroyed Property is to be repaired or restored, the name of the Owner of each Unit, the name of the Eligible Mortgagee who may hold a Security Interest encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any Unit, and his respective Eligible Mortgagee, as their respective interests may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of all or a portion of the Condominium Property. The rights of the Eligible Mortgagee of any Unit under any standard mortgage clause endorsement to such policy shall, notwithstanding anything to the contrary therein or in any Security Interest contained, at all times the subject to the provisions hereof with respect to the application of insurance proceeds to reconstruction of the damaged Condominium Property; provided, however, that if the Association or the Insurance Trustee fails to perform all the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time required by law, and the Eligible Mortgagee or Eligible Mortgagees are required to avail themselves of their rights under the standard mortgage clause to collect the proceeds of the policy or policies of insurance, any amount so collected through the efforts of said Eligible Mortgagee or Eligible Mortgagees shall be applied as directed by said Eligible Mortgagee or Eligible Mortgagees. No provision hereof shall entitle an Owner or any other party to any priority over an Eligible Mortgagee with respect to the distribution of any insurance

Declaration of Southlake Park
July 25, 2008

proceeds with respect to such Unit. If payments are to be made to Unit Owners or their Eligible Mortgagees, the Board of Directors and the Trustee will obtain and may rely on an attorney's certificate of title or a title insurance policy based on a search of the land records of Shelby County, from the date of the recording of the original Declaration stating the names of the Unit Owners and the Eligible Mortgagees.

8.06 Loss to Common Elements Only. In the event of the loss of or damage to only Common Elements, real or personal, by reason of fire or other casualties, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or the Insurance Trustee, as the case may be, to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the costs of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and his respective Eligible Mortgagee, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the Owner of each Unit and his Eligible Mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Common Elements appurtenant to all Units. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall pay, or shall deposit with the Insurance Trustee, as the case may be, a sum, which together with the insurance proceeds received or to be received, if any, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be so paid, or deposited by the Association with the Insurance Trustee, may be paid by the Association out of its reserve for replacement fund and if the amount in such reserve for replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the Owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

8.07 Loss to Common Elements, Limited Common Elements and/or Private Elements. In the event of loss of or damage to Common Elements, Limited Common Elements and/or any Private Element of any Unit by reason of fire or other casualty, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or Insurance Trustee, as the case may be, to cover such loss or damage, shall be first applied to the repair, replacement or reconstruction of the Common Elements, then to the repair, replacement or reconstruction of the Limited Common Elements and any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of the Private Elements of any Unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the Common Elements, the Limited Common Elements and the Private Elements of Units sustaining any

Declaration of Southlake Park
July 25, 2008

loss or damage, then such excess insurance proceeds shall be paid and distributed by the Insurance Trustee to the Owners of all Units and to their Eligible Mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided for the distribution of insurance proceeds under Section 8.06 above. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee, as the case may be, are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors of the Association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the Common Elements, the Limited Common Elements and the Private Elements of Units sustaining any loss or damage. If the proceeds of said fire and casualty insurance, if any, are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements, but are not sufficient to repair, replace or reconstruct any loss of or damage to the Limited Common Elements or the Private Elements of Units sustaining damage, then the Association shall levy and collect an assessment from the respective Owners of the Limited Common Elements and Private Elements sustaining any loss or damage, and the assessment so collected from said Owner shall be deposited with the Insurance Trustee, if any, so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements, if any, and Private Elements of Units. In said latter event, the assessment to be levied and collected from the Owners of the Limited Common Elements shall be pro rata to the extent there are Limited Common Elements appurtenant to a Unit and the assessment to be levied and collected from the Owners of each Private Element sustaining loss or damage shall be apportioned between such Owners in such manner that the assessment levied against each Owner of a Private Element and his Unit shall bear the same proportion to the total assessment levied against all of said Owners of Units sustaining loss or damage as the cost of repair, replacement or reconstruction of each Owner's Private Element bears to the cost applicable to all of said Private Elements sustaining loss or damage. If the fire and casualty insurance proceeds, if any, payable to the Association or the Insurance Trustee are not an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements, it being recognized that such insurance proceeds are to be first applied to the payment for repair, replacement or reconstruction of said Common Elements before being applied to the repair, replacement or reconstruction of any Limited Common Element or Private Element of a Unit sustaining loss or damage, then the cost to repair, replace or reconstruct said Common Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from the Owners of all Units in the same manner as would be levied and collected had the loss or damage sustained been solely to the Common Elements and the fire and casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of the Limited Common Elements and the Private Element of each Unit sustaining loss or damage shall then be levied and collected by assessment of the Owners of the Limited Common Elements and the Owners of the Private Elements sustaining the loss or damage in the same manner as is above provided for the apportionment of such

Declaration of Southlake Park
July 25, 2008

assessment between Owners of Limited Common Elements and Private Elements sustaining loss or damage.

8.08 Estimates of Repair; Plans and Specifications; Payment of Assessments. In the event of loss or damage of Condominium Property, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. The estimate of repair shall be based upon the plans and specifications of the original building, as reflected on **Exhibit C** to this Declaration as the same may from time to time be amended, or such other plans and specifications as may be approved by the Board of Directors of the Association, by all of the Owners of the damaged Units, and by not less than seventy-five (75%) percent of the Owners of all Units including the Owners of damaged Units and by fifty-one (51%) percent of Eligible Mortgagees. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing the Unit Owners in any proceeding, negotiation, settlement, or agreement arising from any loss or damage to the Condominium Property. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the Association may deem to be in the best interest of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the costs of repair, replacement or reconstruction thereof, the additional money required to completely pay for such repair, replacement or reconstruction of said loss or damage whether to be paid by all of the Owners or Units or only by the Owners of Units sustaining loss or damage, or both, as herein provided, shall be paid to the Association and deposited with the Insurance Trustee, if any, not later than thirty (30) days from the date on which the Association or the Insurance Trustee, as the case may be, shall receive the monies payable from the policies of fire and casualty insurance.

ARTICLE IX

CONDEMNATION

9.01 Condemnation Considered a Casualty Loss. The taking of a portion of a Unit, the Common Elements or the Limited Common Elements by eminent domain shall be deemed to be a casualty loss, and except as otherwise provided in Section 9.02 below, the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be applied and distributed by the Association in accordance with the provisions of Article VIII. Even though the awards may be payable to the Owners, the Owners shall deposit the awards with the Association or Insurance Trustee, as the case may be; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a special assessment shall be made against a defaulting Owner in the amount of his award, or the amount of such award shall be set off against the sums hereinafter made payable to such Owner. If any Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Eligible Mortgagee of such Unit shall be entitled to timely written notice of any such proceeding or

Declaration of Southlake Park
July 25, 2008

proposed acquisition as provided in Section 7.01, and no provision hereof shall entitle the Owner of such Unit or other party to priority over such Eligible Mortgagee with respect to the distribution of any award or settlement to the Owner of the Unit.

9.02 Partial Condemnation. In the event that the Condominium Property is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

- (A) If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the award for the taking for a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property:
 - (a) The Unit shall be made tenantable and if the cost of such work exceeds the amount of the award, the additional funds shall be assessed against the Owner of the Unit;
 - (b) The balance of the award, if any, shall be distributed to the Owner of the Unit and the Eligible Mortgagee of the Unit, as their respective interests may appear; and
 - (c) If there is a balance of the award distributed to the Owner and the Eligible Mortgagee, the share of the Common Elements or Limited Common Elements, if any, appurtenant to the Unit shall be equitably reduced. This shall be done by reducing such share by the proportion which the balance of the award so distributed bears to the market value of the Unit immediately prior to the taking, and then recomputing the share of all Owners in the Common Elements and the Owners of all Limited Common Elements as percentages of the total of their shares as reduced by the taking.
- (B) If the taking destroys or so reduces the size of a Unit so that it may not be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property;
 - (a) The market value of such Unit immediately prior to the taking shall be paid to the Owner of the Unit and to each Eligible Mortgagee of the Unit, as their respective interests may appear; and
 - (b) The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners, in the manner approved by the Board of Directors of the Association; provided, however, that if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner required for further improvement of the Common Elements under Section 5.03 above;

Declaration of Southlake Park
July 25, 2008

- (c) The shares in the Common Elements and Limited Common Elements appurtenant to the Units which continue as a part of the Condominium Property shall be equitably adjusted to distribute the ownership to the Common Elements among the reduced number of Owners. This shall be done by recomputing the shares of such continuing Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment; and
 - (d) If the amount of the award for taking is not sufficient to pay the market value of the condemned Unit to the Owner and to restore the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessments against all of the Owners who will continue as Owners of the Units after the changes in the Condominium Property affected by the taking. Such assessment shall be made in proportion to the share of such Owners in the Common Elements after the changes affected by the taking.
- (C) If the market value of a Unit prior to the taking cannot be determined by the agreement between the Owner and the Eligible Mortgagee and the Association within thirty (30) days after notice by any such party that agreement cannot be reached, such value shall be determined by three independent qualified appraisers with one appraiser to be selected by the Association, one appraiser to be selected by the Owner and Eligible Mortgagee, and the third appraiser to be selected by the two appraisers so appointed, and the fair market value of the Unit shall be deemed to be the average of the two appraisals of the fair market value of the Unit made by said appraisers having the least difference in amount. The cost of such appraisal shall be assessed against all Owners in the shares of the Owners in the Common Elements as they existed prior to the changes affected by the taking.
- (D) Changes in the Units, in the ownership of the Common Elements and Limited Common Elements, and the share of liability for Common Expenses and Limited Common Expenses which are affected by eminent domain, shall be evidenced by an amendment of this Declaration which need be approved only by a majority of the Board of Directors of the Association.

9.03 Association Appointed as Attorney-in-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the condemnation or taking by eminent domain of the Condominium Property or any portion thereof.

ARTICLE X

TERMINATION

Declaration of Southlake Park
July 25, 2008

10.01 Destruction of the Condominium Property.

- (A) Notwithstanding anything to the contrary contained in this Declaration, if the Board of Directors shall determine that either of the following conditions exist:
- (a) Two-thirds (2/3) or more of the Units in the Condominium Property shall have been destroyed or substantially damaged by fire or other casualty (including condemnation); or
 - (b) The Condominium Property has been in existence in excess of forty (40) years and substantially all of the Units in the structure have substantially deteriorated and have been rendered substantially obsolete;

Then the Board of Directors may call a meeting of the members of the Association to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate the Declaration and remove the Condominium Property from the provisions of the Act. If the termination of the Declaration and the removal of the Condominium Property from the provisions of the Act are approved by the affirmative vote of at least eighty (80) percent of the Owners of all Units (based upon one vote for each Unit) and by at least sixty-seven (67%) percent of all Eligible Mortgagees (based upon one vote for each Security Interest owned) after notice given as provided in Section 7.01 hereof, the Declaration and plan of condominium ownership established herein shall be subject to termination as provided in the Act and the Association shall be authorized to file on behalf of all and in the name of the Unit Owners and shall file a petition for such termination and removal with the Circuit Court of Shelby County, Alabama. If less than eighty (80%) percent of the Owners of all Units and/or less than sixty-seven (67%) percent of the Eligible Mortgagees vote in favor of terminating the Condominium Property as herein required, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with the provisions of Sections 8.06, 8.07 and 8.08 above.

- (B) In the event that the Circuit Court of Shelby County shall grant the petition for termination of this Declaration and the plan of condominium ownership as provided in subparagraph (a) above, all of the Owners of Units shall be and become tenants in common as to ownership of the Land and any then remaining improvements thereon. The undivided interest in the Land and remaining improvements, except for Limited Common Elements, held by the Owner of each Unit shall be the same as the undivided interest in the Common Elements which were formerly appurtenant to such Unit, and the lien of any Security Interest or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the Land and then remaining improvements as above provided. The Owners of the Limited Common Elements shall have an undivided interest in said Limited Common Elements which is the same as the undivided interest in the Limited Common Elements formerly appurtenant to the Units owned by such Owners, and the lien of any Security Interest

or other encumbrance upon such Units shall attach to the undivided interest in the Limited Common Elements. Upon termination of this Declaration and the plan of condominium ownership established herein, the Owners of all Units still inhabitable shall, within sixty (60) days from the date of grant of the petition, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of the inhabitable Units and their respective Eligible Mortgagees, as their interests may appear, shall become entitled to participate proportionately together with all Owners of uninhabitable Units in the distribution of proceeds in the possession of the Association or the Insurance Trustee. Upon such termination of this Declaration and the plan of condominium ownership established herein, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the owners of the Units and their Eligible Mortgagees as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with his then undivided interest in the Land and remaining improvements as herein provided. The Land and any remaining improvements thereon shall be subject to all easements of record, except the easements created in the Condominium Documents. The assets of the Association upon termination of the plan of condominium ownership created by this Declaration shall then be distributed to the Owner of each Unit and his Eligible Mortgagee, as their respective interests may appear, in the same manner as is above provided for the distribution of any final insurance indemnity.

10.02 Termination by Consent. Except in the event of this Declaration and plan of condominium ownership established herein being terminated as provided above, this Declaration and said plan of condominium ownership may only be otherwise terminated by the consent of ninety (90%) percent of the Owners of all Units and all parties holding Security Interests, liens or other encumbrances, against any of said Units, in which event the termination of the Condominium Property shall be by such plans as may be then unanimously adopted by said Owners and parties holding any Security Interests, liens or other encumbrances. Such election to terminate this Declaration and the plan of condominium ownership established herein shall be evidenced by a termination agreement executed in writing by all of the aforesaid parties in recordable form, and such instrument shall be recorded in the Probate Office of Shelby County, Alabama.

10.03 The Association Appointed as Attorney-in-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the termination of this Declaration and plan of condominium ownership established herein.

ARTICLE XI

AMENDMENT

Declaration of Southlake Park
July 25, 2008

11.01 Amendments by Developer. Without limiting the rights of the Developer to alter the plans as described in Section 2.02 above, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Developer from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

- (A) The Developer reserves the right to amend the By-Laws of the Association until such time as Developer relinquishes control of the Association as provided in Section 12.01 below.
- (B) The Developer reserves the right to amend this Declaration so long as there is no Unit Owner other than the Developer.
- (C) The Developer reserves the right at any time to amend this Declaration without the consent of other Owners if required by any Eligible Mortgagee as a condition of making a loan secured by an interest in a Unit, provided that any such changes or amendments requested by an Eligible Mortgagee shall not materially affect the rights of the Unit Owners or the value of the Condominium Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, attributable to each Unit Owner.

11.02 Amendments By Unit Owners. At such time as there is a Unit Owner other than the Developer, then, in addition to the amendments permitted under Section 11.01 above, the Declaration may be amended in the following manner:

- (A) A proposal to amend this Declaration may be considered at any meeting of the members of the Association called for that purpose in accordance with the provisions of the By-Laws; provided that the Association provides prior written notice of such meeting to the Eligible Mortgagees and Eligible Insurers as provided in Section 7.01 above. The proposal to amend the Declaration must be approved by the affirmative vote of the members representing not less than sixty-seven (67%) percent of the total allocated votes of the Association and by the affirmative vote of the Eligible Mortgagees representing fifty-one (51%) percent of the total allocated votes of the Units subject to Security Interest.
- (B) Notwithstanding the foregoing, no amendment to the Declaration under this Article XI shall:
 - (a) change a Unit, including the ownership in Common Elements, responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Unit Owners so affected and prior written approval of

- the holders of record of any mortgage or other liens on the Unit or Units so affected; or
- (b) change, impair or prejudice the rights of Developer or change the provisions of this Declaration with respect to the Developer's rights hereunder without Developer's prior written approval.

11.03 Effectiveness of Amendments. A copy of each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and shall be effective when recorded in the Probate Court of Shelby County, Alabama.

ARTICLE XII

CONTROL OF THE ASSOCIATION

12.01 Election of Board of Directors. Developer, its successors or assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (a) ninety (90) days after 75% of the total number of Units have been conveyed to purchasers of Units, or (b) five (5) years have elapsed from the conveyance of the first Unit to a purchaser thereof; provided that the Developer may, at its option, terminate its control of the Association at an earlier date. Notwithstanding the foregoing, within ninety (90) days after conveyance of 40% of the Units, the Unit Owners other than Developer shall be entitled to elect 25% of the members of the Board of Directors. Not later than ninety (90) days after conveyance of 65% of the Units to Unit Owners other than Developer, not less than 33 1/3% of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to elect at least 66.67% of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5% of the total number of Units within the Condominium.

12.02 Notice of Meeting. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Association shall call and give not less than ten (10) days nor more than thirty (30) days notice of a meeting of the Unit Owners for the purpose of electing the members of the Board of Directors of the Association. Such meeting shall be called and the notice given in accordance with the By-Laws.

12.03 Status of Unsold Units.

- (A) Developer shall be deemed to be the Owner of each Unit which has not been conveyed to a person other than the Developer. Unless otherwise provided in the Condominium Documents, the Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of

any such Unit under the Condominium Documents.

- (B) Any person having a first mortgage lien against any Unit which has not been conveyed to a person other than Developer, whether under a blanket mortgage affecting the Condominium Property generally or under a mortgage on one or more specific Units, shall be deemed to be an Eligible Mortgagee with respect to any such Unit, and shall be entitled to all rights and privileges available to a Security Interest of any such Unit under the Condominium Documents.
- (C) Notwithstanding the provisions of Sections 4.02 and 12.03(a) above, no assessments shall be imposed by the Association against the Developer as the owner of unsold Units until such time as sixty (60) days after the conveyance of the first Unit. During such period, Developer shall be responsible for the Common Expenses and Limited Common Expenses of the Condominium Property, except that the Developer shall be entitled to use and apply to the payment of such Common Expenses and Limited Common Expenses any and all assessments made against the Unit Owners other than Developer and collected by the Association for Common Expenses and Limited Common Expenses, including the two months' assessment and pro rata property insurance premiums prepaid for the first year, paid by each Owner as working capital. The Developer shall be solely responsible for the maintenance, repair and operation of the Private Elements of the unsold Units.

12.04 Professional Management and Other Contracts. Any agreement incurred by the Association prior to the passage of control of the Association from the Developer pursuant to Section 12.03 above (including contracts for professional management of the Condominium Property, whether it be the Developer, its successors and assigns, or any other person or entity) shall provide the following:

- (A) The Association shall have the right of termination which is exercisable without penalty any time upon not more than sixty (60) days' written notice to the other party thereto; and
- (B) The Association shall have a right of termination for cause which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

ARTICLE XIII

DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

13.01 Reservation of Development Rights. The Declarant reserves the following Development Rights:

Declaration of Southlake Park
July 25, 2008

- (A) To add real estate to the Condominium.
- (B) The right by amendment to create Units, Common Elements and Limited Common Elements in the location shown as "Need Not Be Built" on the Plan, or "built" or "Partially Built" but not included in a Declared Phase.
- (C) The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the land not designated as "Need Not Be Built" on the Plan for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the land designated "Need Not Be Built" on the Plan. The Declarant also reserves the right to withdraw and grant easements to public utility companies and to convey Improvements within those easements anywhere in the Condominium not occupied by buildings, for the above-mentioned purposes. If the Declarant grants any such easements, **Exhibit A** shall be amended to include reference to the recorded easement.

13.02 Limitations on Development Rights. The Development Rights reserved in Section 13.01 are limited as follows:

- (A) The Development Rights may be exercised at any time, but not more than seven (7) years after the recording of the initial Declaration.
- (B) Not more than forty (40) additional Units may be created under the Development Rights.
- (C) The quality of construction of any buildings and Improvements to be created on the additional property shall be similar and equal or better quality of those constructed pursuant to this Declaration as initially recorded.
- (D) All Units, Common Elements and Limited Common Elements created pursuant to the Development Rights will be restricted to use in the same manner and to the same extent as the Units, Common Elements and Limited Common Elements created under the initial Declaration.
- (E) No assurances are made as to the general descriptions of other Improvements that may be made and Limited Common Elements that may be created within any Common Elements that may be created within the Project which is subject to the Development Rights reserved by the Declarant herein.

13.03 Phasing of Development Rights. No assurances are made by the Declarant regarding the portions of the areas shown on "Need Not Be Built" on the Plan as to the portions where the

Declaration of Southlake Park
July 25, 2008

Declarant will exercise its Development Rights or the order in which such portions, or all of the areas, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

13.04 Special Declarant Rights. In addition to the rights set forth in 13.01, the Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Condominium.

- (A) To complete Improvements indicated on the Plan and Plan filed with the Declaration.
- (B) To exercise a Development Right reserved in the Declaration.
- (C) To maintain sales offices, management offices, signs advertising the condominium, and models.
- (D) To use easements through the Common Elements for the purpose of making improvements within the Condominium.
- (E) To make the Condominium subject to a master association.
- (F) To appoint or remove any officer of the Association or any master association or any board member during any period of Declarant control.
- (G) To lease any Unit which it may own in the Condominium on such terms as it may deem proper and desirable and may transfer Units subject to such lease.

13.05 Construction; Declarant's Easement. The Declarant reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in Units and in Common Elements, and the further right to control all such work and repairs, and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declaration Rights, whether arising under the Act or reserved in this Declaration. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, riparian owners or upland owners to fulfill the plan of development.

13.06 Signs and Marketing. The Declarant reserves the right to post signs and displays in the Common Elements to promote sales of Units, and to conduct general sales activities, in a manner as will not unreasonably disturb the rights of Unit Owners.

13.07 Declarant's Personal Property. The Declarant reserves the right to retain all personal property

Declaration of Southlake Park
July 25, 2008

and equipment used in the sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the property any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

13.08 Limitations on Special Declarant Rights. Unless sooner terminated by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: so long as the Declarant (a) is obligated under any warranty or obligation, (b) holds a Development Right to create additional Units or Common Elements, (c) owns any Unit, (d) owns any Security Interest in any Units, or (e) for seven (7) years after recording this Declaration, whichever is earliest. Earlier termination of certain rights may occur by statute.

13.09 Other Issues Regarding Additional Phases. Each additional Unit added to the Condominium shall have additional votes according to the assigned square footage of the Unit. All Owners of Units created in new phases shall share in the undivided interest of the Condominium's total Common Areas. The allocation of the undivided interest and the expense liability shall be determined by the Units proportional assigned square footage to the total square footage. The effective date of these allocations will be when the Units are added to the Condominium. If Developer desires to include additional phases in the Condominium, Developer shall file a Supplemental Declaration which shall assign an identifying number to each new Unit created and reallocate the assessments and undivided interests among the Units. It will describe any Common Elements and Limited Common Elements created. In the case of Limited Common Elements, it must designate the Unit or Units to which each Limited Common element is allocated. All improvements intended for further phases will be substantially completed prior to annexation.

ARTICLE XIV

MISCELLANEOUS

14.01 Rights and Powers of Successors and Assignees. The rights and powers reserved to or exercisable by the Developer under the Condominium Documents or the Act may be exercised by any successor or assignee of the Developer (i) who acquires title from the Developer by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Developer specifically assigns such rights and powers. Developer has the right to assign such rights and powers.

14.02 Headings. The captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Declaration.

14.03 Gender/Number. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders.

Declaration of Southlake Park
July 25, 2008

14.04 Exhibits. Exhibits A, B, C, D, E, and F attached to this Declaration are an integral part of this Declaration.

14.05 Invalidity and Severability. It is the intention of the Developer that the provisions of this Declaration are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

14.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

14.07 Condominium Unit Owners' Estate. Each Unit Owner's estate consists of a Unit or a defined space in a building, an undivided interest in the Common Elements and the right to use Limited Common Elements, if and to the extent applicable and other easements. The Unit Owner's interest shall be held in fee simple.

IN WITNESS WHEREOF, the Developer has hereunto set its signature and seal on the day and year first above written.

PROVIDENCE PARK PARTNERS II, LLC

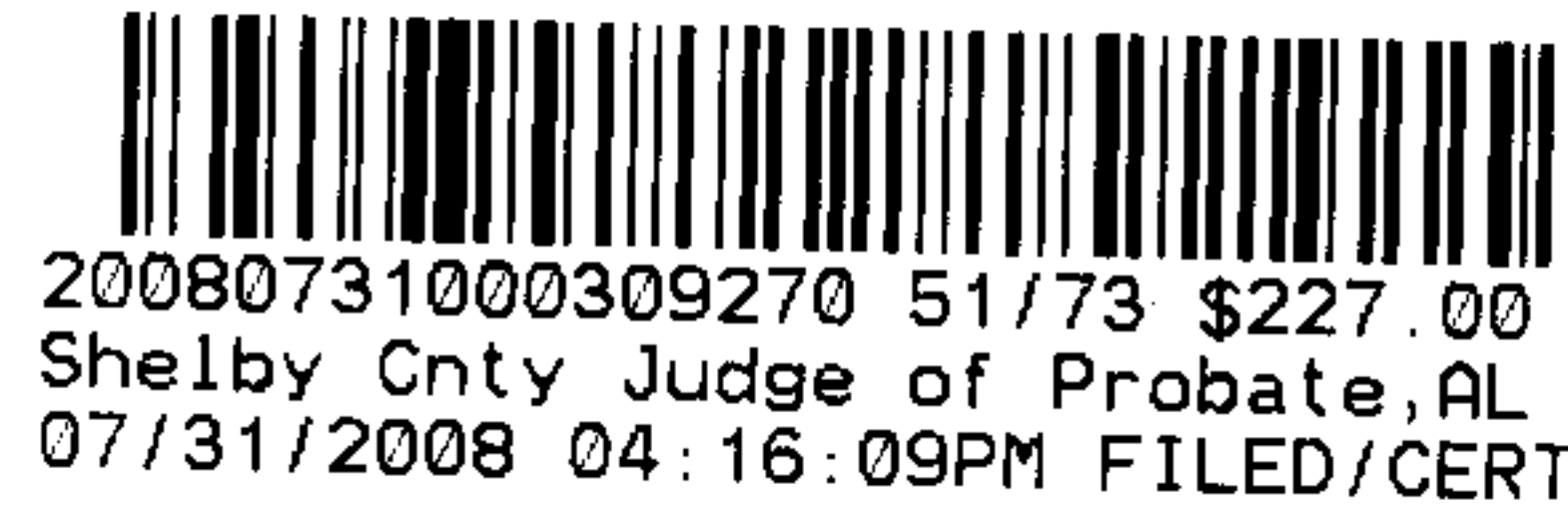
Byrom Building Corp. an Alabama Corporation

By: Marty B
Its: President

J-Mar Properties, LLC, an Alabama Limited Liability Company

By: [Signature]
Its: Member

Declaration of Southlake Park
July 25, 2008

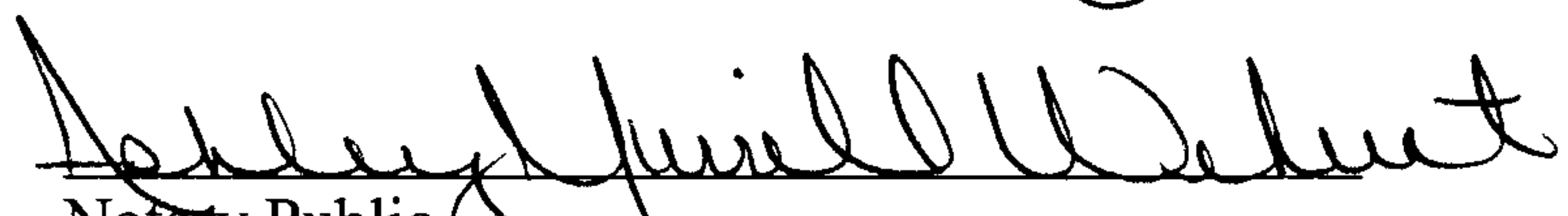


STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Marty Byrom, whose name as President of Byrom Building Corp., an Alabama Corporation, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Declaration of Condominium, he as such Officer and with full authority, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this the 25th day of July, 2008.

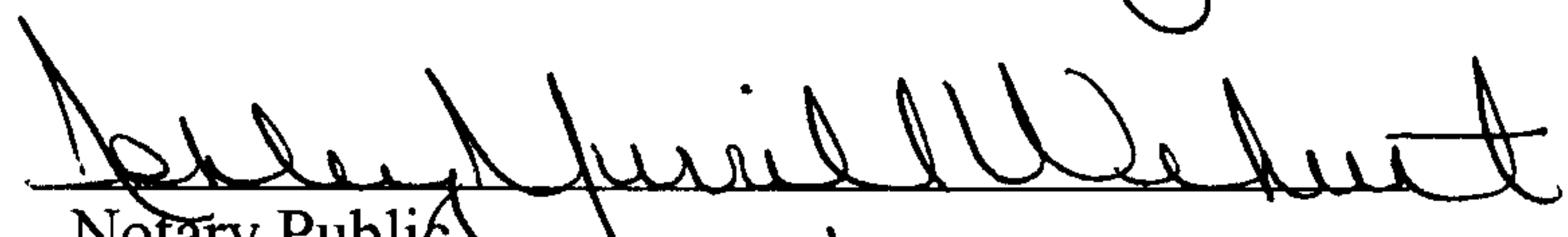

Notary Public
My Commission Expires: March 13, 2010

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that James R. Moncus, Jr., whose name as Member of J-Mar Properties, LLC, an Alabama Limited Liability Company, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Declaration of Condominium, he as such Member and with full authority, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this the 25th day of July, 2008.


Notary Public
My Commission Expires: March 13, 2010

Declaration of Southlake Park
July 25, 2008

Owner of the following portion of Phase I, Southlake Park:

A One-story Condominium Building Unit with a finished floor elevation of 506.20 feet (NAVD 1988) located in the Southwest Quarter of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter of Section 20, Township 19 South, Range 2 West, City of Hoover, Shelby County, Alabama, to be known as BUILDING 1500. UNIT 250, SOUTHLAKE PARK, PHASE I, being more particularly described as follows:

Commence at the Southeast Corner of the Southwest Quarter of the Southeast Quarter of Section 20, Township 19 South, Range 2 West, City of Hoover, Shelby County, Alabama; thence run Westerly along the Quarter-Quarter line a distance of 313.40 feet; thence continue Westerly along the Quarter-Quarter line a distance of 997.12 feet along the Northerly line of Narz Estates as recorded in Map Book 8, Page 155 and Wildwood Park as recorded in Map Book 5, Page 78, both in the Probate Office of Shelby County, Alabama; thence right 71 degrees 59 minutes 35 seconds Northwesterly a distance of 244.95 feet to the Southeasterly Right-of-Way line of Valleydale Road (Shelby County Road No. 17); thence right 69 degrees 31 minutes 48 seconds to the chord of a curve to the left, concave Northwesterly with a radius of 6287.09 feet and a central angle of 00 degrees 42 minutes 52 seconds; thence run Northeasterly, then North-Northeasterly 78.40 feet along the arc of said curve, also being the Southeasterly Right-of-Way line of Valleydale Road, thence turn right 90 degrees 00 minutes 00 seconds from the tangent of said curve Southeasterly and radial to said curve a distance of 86.81 feet; thence left 00 degrees 13 minutes 22 seconds Southeasterly 2.96 feet; thence left 90 degrees 00 minutes 00 seconds Northeasterly a distance of 10.00 feet; thence continue along the same course Northeasterly 29.9 feet to the POINT OF BEGINNING; thence continue Northeasterly 29.9 feet; thence right 90 degrees 00 minutes 00 seconds Southeasterly 50.00 feet; thence right 90 degrees 00 minutes 00 seconds Southwesterly 29.9 feet; thence right 90 degrees 00 minutes 00 seconds Northwesterly 50.00 feet to the POINT OF BEGINNING.

The above herein described property is not the homestead of Michael F. Seals nor that of His Spouse.

By:


Michael F. Seals, A Married Man

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Michael F. Seals, A Married Man, whose name as Owner of Unit 250, Building 1500 of Southlake Park, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Declaration of Condominium, he as such Owner and with full authority, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal this the 28th day of July, 2008.


Notary Public

My Commission Expires: 2/23/12

Declaration of Southlake Park
July 25, 2008

EXHIBIT "A"

LEGAL DESCRIPTION FOR SOUTHLAKE PARK

A parcel of land situated in the Southwest 1/4 of the Southeast 1/4 and the Southeast 1/4 of Southwest 1/4 of Section 20, Township 19 South, Range 2 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southeast corner of the Southwest 1/4 of the Southeast 1/4 of said Section; thence in a Westerly direction along the South line of said 1/4 1/4 Section a distance of 312.00 feet to the point of beginning; thence continue Westerly along the South line of said 1/4 1/4 Section a distance of 995.84 feet; thence 71 degrees 34 minutes 22 seconds right in a Northwesterly direction a distance of 243.22 feet to the said Southeasterly right-of-way line of Valleydale Road, said point being on a curve having a radius of 6287.09 feet; thence 68 degrees 58 minutes 46 seconds right to chord of said curve, in a Northeasterly direction along said Southeasterly right-of-way, and curve to the left, a distance of 197.00 feet to the end of said curve; thence 24 degrees 01 minutes 45 seconds left from chord of said curve along said right-of-way in a Northeasterly direction a distance of 199.45 feet; thence 21 degrees 54 minutes 10 seconds right in a Northeasterly direction along with Southeasterly right-of-way line of said road, a distance of 241.76 feet; thence 88 degrees 29 minutes right, in a Southeasterly direction a distance of 952.27 feet to the South line of the Southwest 1/4 of the Southeast 1/4 of said Section and being the point of beginning; being situated in Shelby County, Alabama.

CONSENT OF MORTGAGEE

The undersigned, a Mortgagee under those certain Mortgages from Providence Park Partners II, LLC to Compass Bank as shown on attached Exhibit A recorded at Instrument No. 20080211000056080; Instrument No. 20060918000461240; Instrument No. 20070705000317200; Instrument No. 20070705000317260; and Instrument No. 20080623000254990 in the Office of the Judge of Probate of Shelby County, Alabama, encumbering the real property identified in the foregoing Declaration of Condominium of Southlake Park, a condominium, joins in the execution of the foregoing Declaration of Condominium of Southlake Park, a condominium, for the sole purpose of establishing the validity of the Declaration of Condominium of Southlake Park, a condominium, as required by 35-8A-1, et seq. of the Code of Alabama. The undersigned is not the Developer, and does not assume any obligation whatsoever under the terms, covenants and conditions of the foregoing Declaration of Condominium, and the execution hereof does not in any way subordinate or make the said Security Interest inferior to the said Declaration of Condominium.

MORTGAGEE:

COMPASS BANK

By: *Ben Hendrix*
Its: SIC VICE President

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, *the undersigned*, a Notary Public in and for said county in said state, hereby certify that *Ben Hendrix* whose name as an officer of Compass Bank, 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 such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

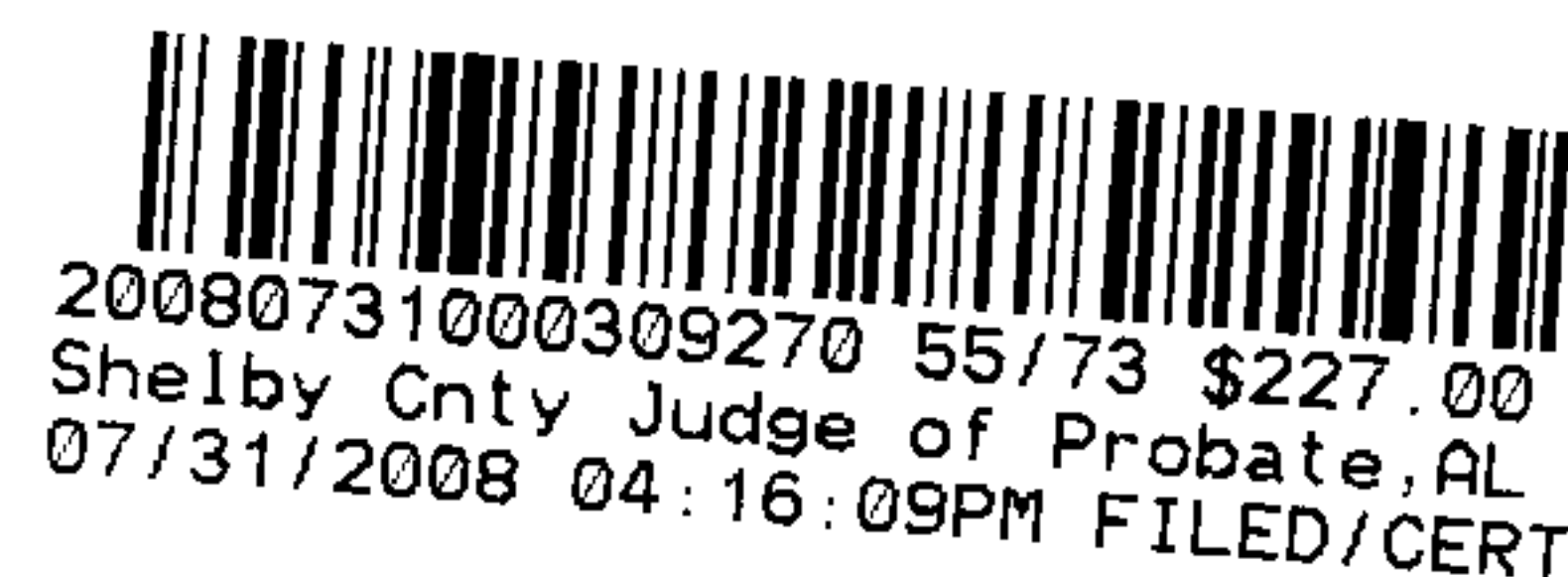
Given under my hand and official seal this the *25th* day of *July*, 2008.

B. Ann Moore
Notary Public

[NOTARIAL SEAL]

My Commission Expires: *11-6-10*

**SOUTHLAKE PARK
PHASE I
DESCRIPTIONS**



PHASE I

A Parcel of land containing 49,835.98 Square Feet, being 1.13 Acres, located in the Southwest Quarter of the Southeast Quarter and the Southeast Quarter of the Southwest Quarter of Section 20, Township 19 South, Range 2 West, City of Hoover, Shelby County, Alabama, to be known as SOUTHLAKE PARK, PHASE I, being more particularly described as follows:

Commence at the Southeast Corner of the Southwest Quarter of the Southeast Quarter of Section 20, Township 19 South, Range 2 West, City of Hoover, Shelby County, Alabama; thence run Westerly along the Quarter-Quarter line a distance of 313.40 feet; thence continue Westerly along the Quarter-Quarter line a distance of 997.12 feet along the Northerly line of Narz Estates as recorded in Map Book 8, Page 155 and Wildwood Park as recorded in Map Book 5, Page 78, both in the Probate Office of Shelby County, Alabama; thence right $71^{\circ}59'35''$ Northwesterly a distance of 244.95 feet to the Southeasterly Right-of-Way line of Valleydale Road (Shelby County Road No. 17); thence right $69^{\circ}31'48''$ to the chord of a curve to the left, concave Northwesterly with a radius of 6287.09 feet and a central angle of $00^{\circ}42'52''$; thence run Northeasterly, then North-Northeasterly 78.40 feet along the arc of said curve, also being the Southeasterly Right-of-Way line of Valleydale Road to the POINT OF BEGINNING; thence continue North-Northeasterly 118.25 feet along the arc of said curve, also being the Southeasterly Right-of-Way line of Valleydale Road; thence left $23^{\circ}40'19''$ from the chord of the aforesaid curve extended, Northeasterly 6.78 feet along the Southeasterly Right-of-Way line of Valleydale Road; thence right $23^{\circ}34'48''$ Northeasterly 60.16 feet to the P. C. of a curve to the right, concave Southeasterly with a radius of 275.00 feet and a central angle of $04^{\circ}57'42''$; thence run North-Northeasterly, then Northeasterly 23.81 feet along the arc of said curve; thence continue Northeasterly, tangent to said curve 33.38 feet; thence right $90^{\circ}00'00''$ Southeasterly 85.00 feet; thence an interior angle right, clockwise, $231^{\circ}35'54''$ (being a deflection angle of right $51^{\circ}35'54''$) Southwesterly 16.85 feet; thence an interior angle right, clockwise $123^{\circ}50'52''$ (being a deflection angle of left $56^{\circ}09'08''$) Southeasterly 122.87 feet; thence right $90^{\circ}00'00''$ Southwesterly 221.27 feet; thence right $90^{\circ}00'00''$ Northwesterly 129.85 feet; thence right $00^{\circ}13'22''$ Northwesterly 86.81 feet to the POINT OF BEGINNING.

EXHIBIT B

BY-LAWS

OF

SOUTHLAKE PARK OWNERS ASSOCIATION, INC.

ARTICLE I

THE ASSOCIATION

Section 1. Identity. These are the By-Laws of Southlake Park Owners Association, Inc., a Nonprofit Corporation (the "Association"), which was formed under the Alabama Nonprofit Corporation Act [Code of Alabama 1975 10-3A-1 et seq.] by filing the Articles of Incorporation of the Association (the "Articles") with the Office of the Judge of Probate of Jefferson County, Alabama on _____, 2008. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of Southlake Park, a Condominium (the "Condominium"), pursuant to the provisions of the Alabama Uniform Condominium Act of 1991 [Code of Alabama 1975 35-8A-101 et seq.] and the Declaration of Condominium of Southlake Park, a condominium (the "Declaration") as filed with the Office of the Judge of Probate of Jefferson County, Alabama in accordance with the provisions of said Act. The terms capitalized herein shall be deemed to have the meanings set forth in the Declaration and the Condominium Act.

Section 2. Principal Office. The principal office of the Association in the State of Alabama shall be located in the County of Jefferson. The Association may have such other offices, either within or without the State of Alabama, as the Board of Directors may designate or as the business of the Association may require from time to time.

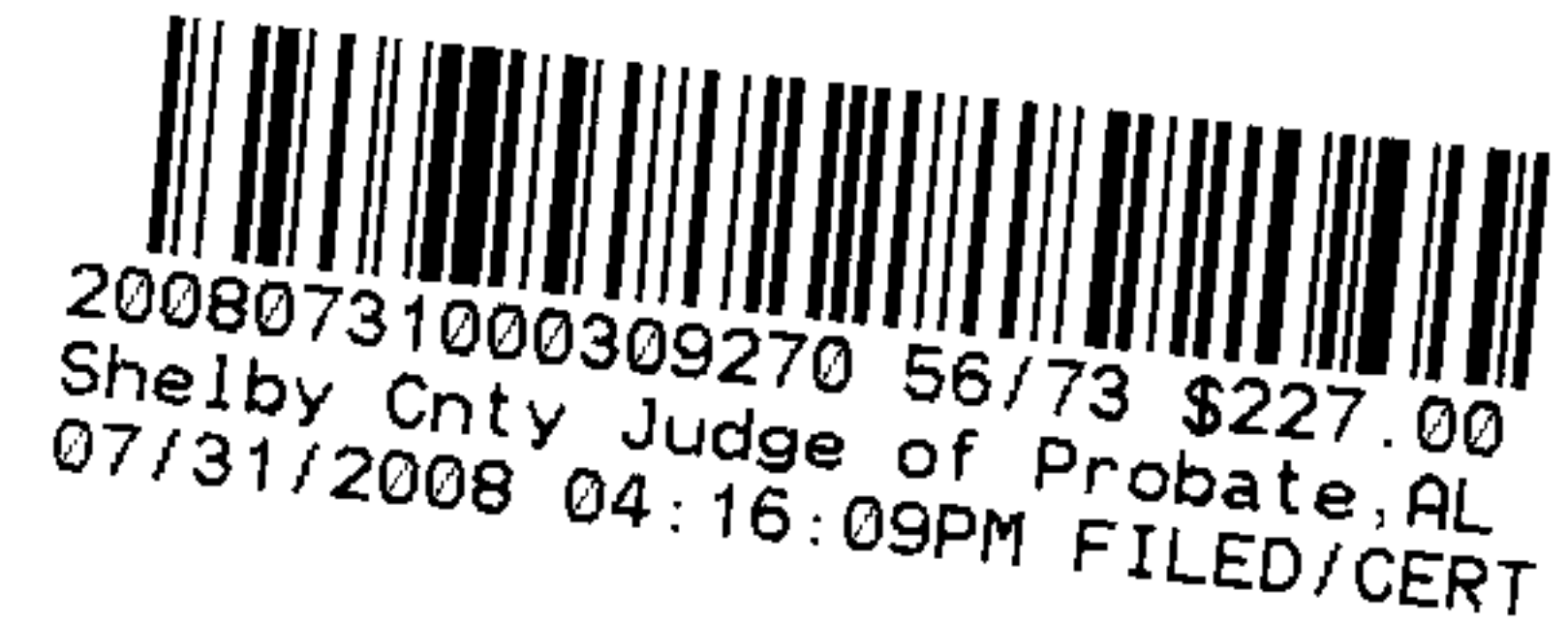
Section 3. Registered Office. The registered office of the Association, required by the Alabama Nonprofit Corporation Act to be maintained in the State of Alabama, may be, but need not be, identical with the principal office in the State of Alabama, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERSHIP AND MEMBERSHIP MEETING

Section 1. Qualification. The members of the Association (individually a "Member" and collectively, the "Members" or "Membership") shall consist of all record Owners of the Condominium Units.

Section 2. Change of Membership. Membership in the Association shall be established by recording in the public records of Shelby County, Alabama, the deed or other instrument establishing



record title to a Unit of the Condominium Property, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a Member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Section 3. Voting Rights. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the By-Laws. Each Unit Owner is entitled to the number of votes for each Unit owned by him as set forth in **Exhibit D** of the Declaration, and as maybe amended from time to time.

Section 4. Designation of Voting Representatives. In the event a Unit is owned by one (1) person, their right to vote shall be established by the record title to each Unit. If a Unit is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record Owners of the Unit and filed with the Secretary of the Association before a meeting and shall only be effective for one meeting. If a Unit is owned by a corporation, partnership, trust, or other legal entity, the officer or agent thereof entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the duly authorized representative of the Board of Directors or other governing body of such entity and filed with the Secretary of the Association before a meeting and shall only be effective for one meeting. If such certificate is not filed with the Secretary of the Association for a Unit owned by more than one (1) person, or by a corporation, partnership, trust or other legal entity owning a Unit, in advance of any meeting of the Membership, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval of the person entitled to cast the vote for the Unit. Such certificate shall be valid for that meeting.

Section 5. Annual Meeting. The annual meeting of the Membership of the Association shall be held on the first Saturday in the month of October each year, beginning with the year 2009, at the hour of 9:00 a.m., or at such other day and time as shall be fixed by the Board of Directors, for the purpose of electing directors, if the period of Developer control has ended, and for the transaction of such other business as may come before the meeting.

Section 6. Special Meetings. Special meetings of the Membership, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by a majority of the Board of Directors and shall be called by the President or the Secretary at the request of holders of not less than ten percent (10%) of all the outstanding votes of the Membership.

Section 7. Place of Meeting. The Board of Directors may designate any place, within or without the State of Alabama, as the place of meeting for any annual meeting or for any special meeting of the Membership. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be the principal office of the Association in the State of Alabama.

Section 8. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, or of a meeting which is required by statute to be held

for any special purpose, or of an annual meeting at which special action is to be taken, the purpose or purposes for which the meeting is called, or the special action which is proposed to be taken, shall unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 9. Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for the purpose of determining the Members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or for any other proper purpose, such date in any case to be not more than thirty (30) days and, in case of a meeting of the Membership, not less than ten (10) days prior to the date on which the particular action, requiring such determination of Members, is to be taken. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of the Membership, the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of Members entitled to vote at any meeting of the Membership has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 10. Voting Lists. The officer or agent having charge of the records of Members of the Association shall make, at least ten (10) days before each meeting of the membership, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each member and the number of votes to which he is entitled, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any member making written request therefor at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 11. Quorum. The presence of any meeting of the membership of the Members entitled to cast thirty (30%) percent of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the Members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 12. Majority Vote. The vote of Members entitled to cast a majority of the votes represented at a meeting of the Membership at which a quorum is present shall be the act of the Members of the Association, unless the vote of a greater number is required by law, the Declaration, the Articles, or these By-Laws.

Section 13. Proxies. At all meetings of the Membership, a Member may vote in person or

by proxy executed in writing by the Member or by his duly authorized attorney in fact. A proxy is void if it is not dated or purports to be revocable without notice. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. Proxies shall be valid only for one meeting.

Section 14. Informal Action by Members. Any action required to be taken at a meeting of the Membership, or any other action which may be taken at a meeting of the Membership, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 15. The Order of Business. The order of business at annual meetings of the Members, and as far as practical, at all other meetings, shall be:

- A. Call to order,
- B. Calling of the roll and certifying of proxies,
- C. Proof of notice of meeting or waiver of notice,
- D. Reading and disposal of any unapproved minutes,
- E. Reports of officers,
- F. Reports of committees,
- G. Election of directors,
- H. Unfinished business,
- I. New business, and
- J. Adjournment.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by or under the direction of its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the Association shall consist of not less than three (3) nor more than seven (7) directors with the exact number to be fixed from time to time by the Members holding a majority of the votes of the Association. The initial Board of Directors shall consist of three (3) directors.

Section 3. Election of Directors.

(a) Election of directors shall be held at the annual meeting of the Members. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. The Owner of each whole Unit shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled at the time of the election. There shall be no cumulative voting.

(b) Notwithstanding the provisions of subparagraph (a) above, the Developer (as

defined in the Declaration), it successors and assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill vacancies, until such time as either (i) ninety (90) days have elapsed since 90% of the Units have been conveyed to purchasers of Units other than Developer, (ii) five years have elapsed from the conveyance of the first Unit to a person other than the Developer, or (iii) the Developer elects, at its option, to terminate control of the Association, whichever first occurs. Not later than ninety (90) days after conveyance of 40% of the Units, the Unit Owners other than Developer shall be entitled to elect 25% of the members of the Board. Not later than ninety (90) days after conveyance of 65% of the Units to Unit Owners other than Developer, not less than 33 1/3% of the members of the Board may be elected by the Unit Owners. The Developer shall be entitled to elect at least 66.67% of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least 5% of the Units. Within sixty (60) days before the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10) or more than thirty (30) days notice of a special meeting of the Membership for the purpose of electing the members of the Board of Directors. Units shall mean the total of the Units that may be developed by the Developer, e.g., Forty (40) Units.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the Membership, provided, however, any such regular meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings, or in a consent and waiver of notice thereof, signed by all Directors. The Board of Directors may provide, by resolution, the time and place, within or without the State of Alabama, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 6. Notice. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, any such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by a vote of the majority of a quorum, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum present, or the refusal of any director present to vote.

Section 9. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Association shall be a President, one or more Vice President(s) (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the President and Secretary. The failure of the Board of Directors to elect any officers other than a President and a Secretary shall not constitute a violation of these By-Laws.

Section 2. Election and Term of Office. The officers of the Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the membership. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and qualified, his death, his resignation or removal in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, by the affirmative vote of the Board of Directors, whenever in their judgment the best interests of the Association will be served thereby. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create any contract rights in favor of such officer.

Section 4. Vacancies. A vacancy in any office elected or appointed by the Board of Directors because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the membership. He may sign, with the Secretary or an Assistant Secretary, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-

Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the mailing address of each Member which shall be furnished to the Secretary by such member; (e) have general charge of the transfer books of the members of the Association; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (c) in general perform all of the duties from time to time as may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on

behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

BOOKS AND RECORDS

Section 1. Accounting. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Members, Board of Directors and committees thereof and shall keep at its registered or principal office in Alabama a record of the names and addresses of Members entitled to vote, directors and officers. The accounting records shall be maintained in accordance with generally accepted accounting principles. The Association shall also keep current copies of the Declaration, Articles of Incorporation, these By-Laws, Rules and Regulations and other books, records and financial statements concerning the Condominium, together with other books. All books and records of the Association shall be open to inspection by the Members or their authorized representatives for any proper purpose at any reasonable time. Such records shall include:

(a) Association Accounts. The receipts and expenditures of the Association credited and charged to the appropriate account as set forth below.

(i) Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and Limited Common Elements (as defined in the Declaration) and the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses and Limited Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

(ii) Reserve Funds. All funds to be expended for replacement, acquisition and repair of capital improvements which are part of Common Elements and Limited Common Elements shall be held in the Reserve Fund Account.

(b) Member Accounts. An account for each Member shall be maintained setting

forth the name and address of the Member, the interest percentage in the Common Elements and Limited Common Elements, if any, the amount of each assessment, the dates and amounts in which the assessments become due, the amounts paid upon the account and the balance due.

Section 2. Budget. Within sixty (60) days prior to the beginning of each calendar year the Board of Directors shall adopt a proposed budget for each calendar year that shall include the estimated funds required to defray the Common Expenses and Limited Common Expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Within thirty (30) days of adoption of the proposed budget copies of the budget and proposed assessments shall be transmitted to each Member of the Association and a date set for a meeting of the Membership to consider ratification of the budget, not less than fourteen (14) days nor more than thirty (30) days after delivery of the budget to the Members. Unless at the meeting a majority of all Unit Owners present in person or by proxy reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget for the last year shall continue in effect until such time as a new budget is ratified.

Section 3. Assessments. Assessments against the Members for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 31, preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

Section 4. Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the Members concerned, and it shall be due thirty (30) days after such notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

Section 5. Audit or Compilation. An audit or review of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be made available for review by each Member.

Section 6. Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than two times the amount of the total annual assessments against Members for Common Expenses and Limited Common Expenses. The premiums of such bonds shall be paid by the Association.

ARTICLE VII

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of these By-Laws, the Articles of Incorporation, the Declaration, the provisions

of the Alabama Nonprofit Corporation Act, and any act amendatory thereof, supplementary thereto or substituted therefor, the provisions of the Alabama Uniform Condominium Act of 1991, and any act amendatory thereof, supplemental thereto or substituted therefor, or the Alabama Constitution, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE IX

INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for

such expenses which the court shall deem proper.

To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referenced herein, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under Sections (1) and (2) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (1) and (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Membership.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE X

AMENDMENT

Section 1. Amendment to By-Laws. These By-Laws may be amended, altered or repealed in the following manner:

(a) By the Developer until such time as Developer relinquishes its control of the Association; or

(b) After Developer relinquishes control, by the members at any regular or special meeting upon the affirmative vote of the holders of not less than two-thirds of the outstanding votes.

Section 2. Recordation. No modification or amendment to the By-Laws shall be valid and effective until the President and Secretary of the Association shall certify as to the adoption of such amendment and shall file a certificate setting forth the text of the amendment with the Office of the



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Shelby Cnty Judge of Probate, AL
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Judge of Probate of Shelby County, Alabama.

The foregoing By-Laws were adopted as the By-Laws of Southlake Park Owners Association, Inc., an Alabama not-for-profit corporation at its first meeting of the Board of Directors on the ____ day of _____, 2008.

SOUTHLAKE PARK OWNERS ASSOCIATION, INC.

BY: _____
ITS: PRESIDENT

ATTEST:

ITS: SECRETARY



20080731000309270 68/73 \$227.00
Shelby Cnty Judge of Probate, AL
07/31/2008 04:16:09PM FILED/CERT

Exhibit "C"

RETURN ORIGINAL TO CARR & ASSOCIATES ENGINEERS, INC. (205) 664-8498

SOUTHLAKE PARK PHASE I

AN OFFICE CONDOMINIUM DEVELOPMENT SITUATED IN THE
SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE
SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF
SECTION 30, TOWNSHIP 19 SOUTH, RANGE 8 WEST
SHELBY COUNTY, ALABAMA

Prepared by
CARR & ASSOCIATES ENGINEERS, INC.
2000 20th Ave. S.W.
Birmingham, Alabama 35209
(205) 664-8498 FAX - (205) 664-8499

STATE OF ALABAMA
I, _____, County Clerk of Shelby County, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County Clerk of Shelby County, Alabama.

STATE OF ALABAMA
I, _____, County Clerk of Shelby County, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County Clerk of Shelby County, Alabama.

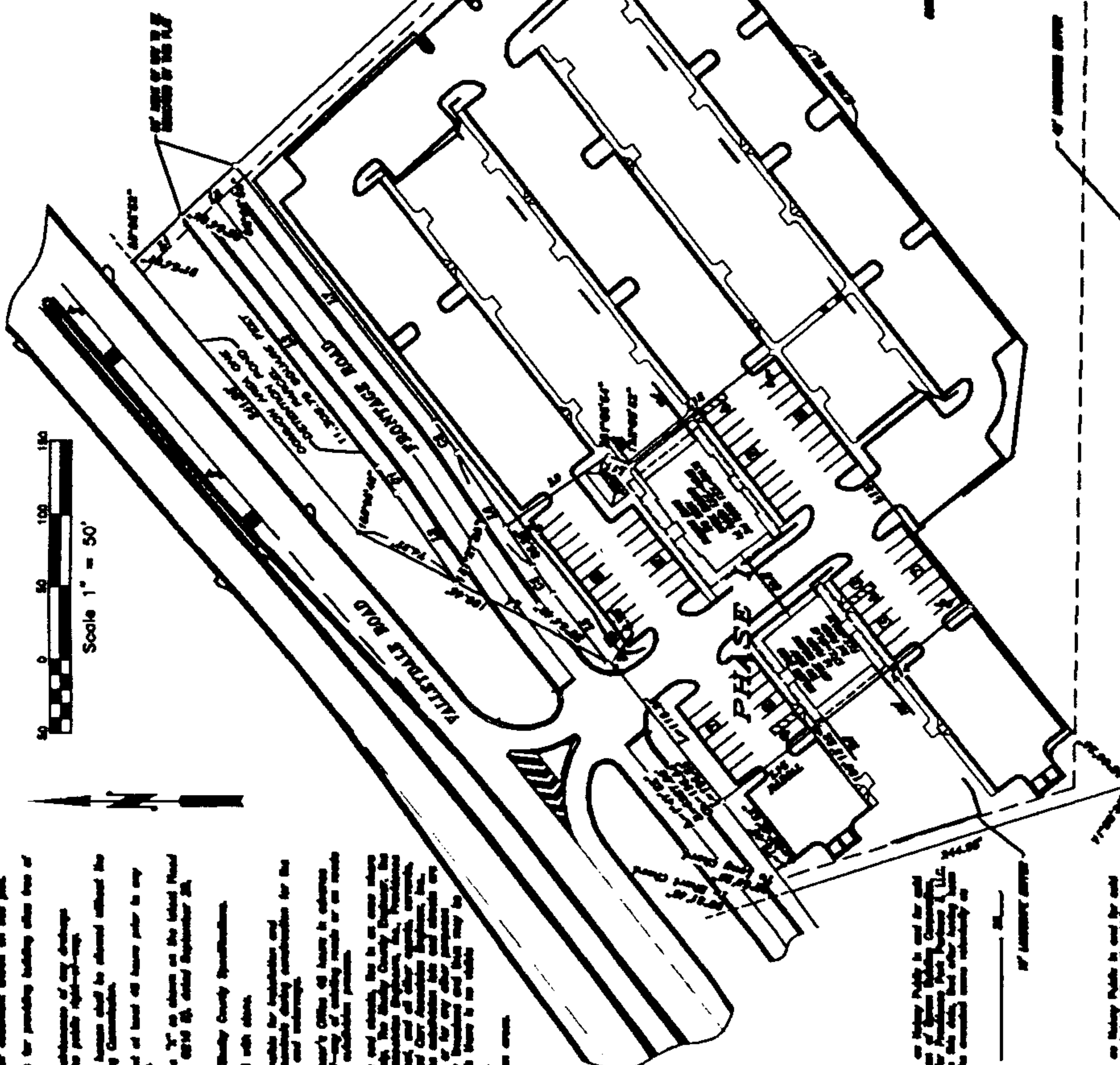
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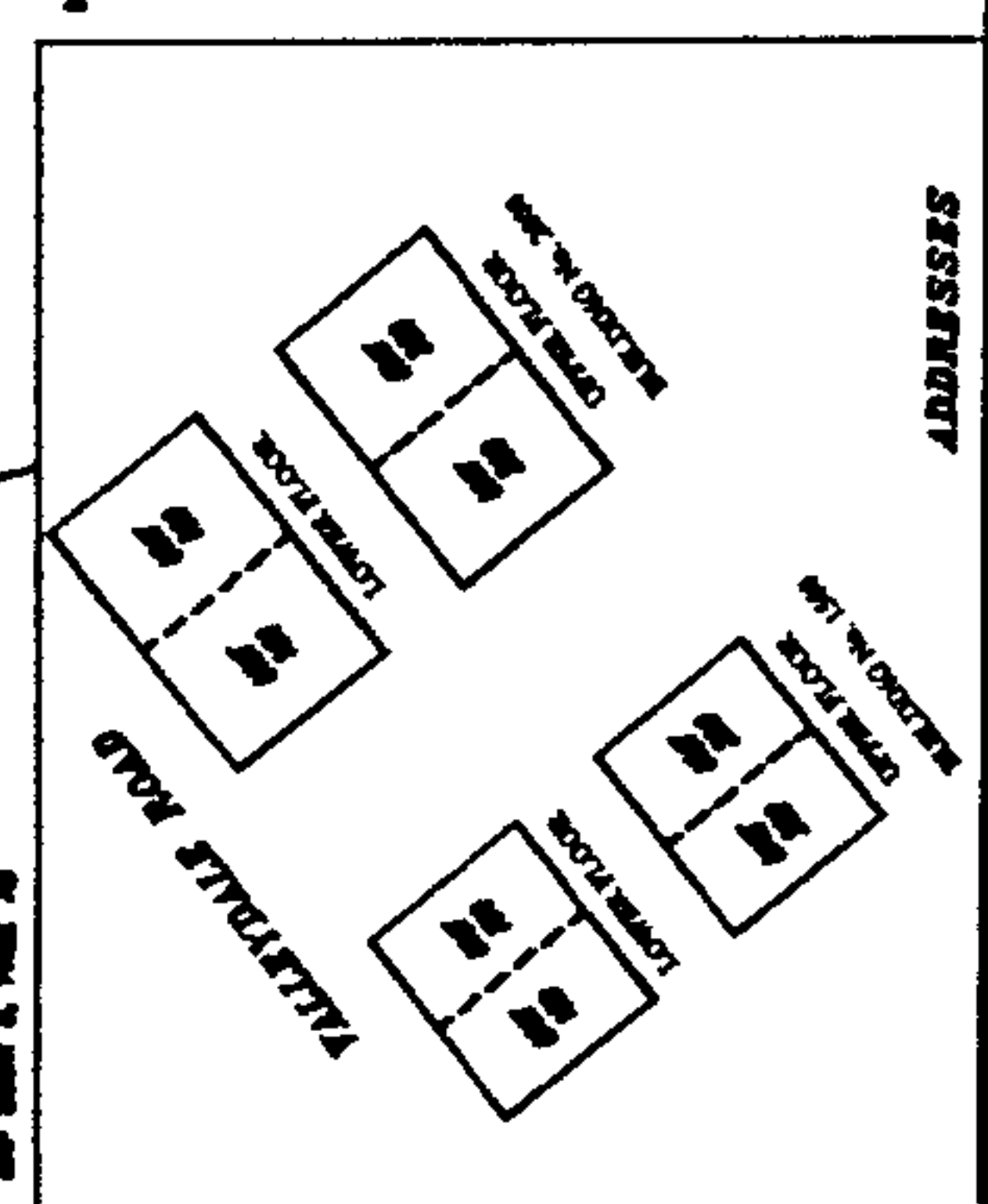
STATE OF ALABAMA
I, _____, County Clerk of Shelby County, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County Clerk of Shelby County, Alabama.

CURVE TABLE			
STATION	CHORD BEARING	CHORD LENGTH	ARC LENGTH
1+00	N 89° 58' 00" E	100.00	100.00
2+00	N 89° 58' 00" E	100.00	100.00
3+00	N 89° 58' 00" E	100.00	100.00
4+00	N 89° 58' 00" E	100.00	100.00
5+00	N 89° 58' 00" E	100.00	100.00
6+00	N 89° 58' 00" E	100.00	100.00
7+00	N 89° 58' 00" E	100.00	100.00
8+00	N 89° 58' 00" E	100.00	100.00
9+00	N 89° 58' 00" E	100.00	100.00
10+00	N 89° 58' 00" E	100.00	100.00

THE PURPOSE OF THIS PLAT IS TO:
1. ESTABLISH AND RECORD PHASE I;
2. ESTABLISH AND RECORD COMMON AREA USE;
3. DEDICATE THE RIGHT-OF-WAY ROAD TO SHELBY COUNTY.



1. Shelby County is not responsible for the design of the building or the design of the parking areas.
2. Shelby County is not responsible for the design of the building or the design of the parking areas.
3. Shelby County is not responsible for the design of the building or the design of the parking areas.
4. Shelby County is not responsible for the design of the building or the design of the parking areas.
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10. Shelby County is not responsible for the design of the building or the design of the parking areas.
11. Shelby County is not responsible for the design of the building or the design of the parking areas.
12. Shelby County is not responsible for the design of the building or the design of the parking areas.



BUILDING DATA
AREA: _____
FLOOR: _____
PARKING SPACES: _____
PARCEL SIZE: _____
AREA: _____

ADDRESS
SHELBY COUNTY PLANNING COMMISSION
SHELBY COUNTY ENGINEER
SHELBY COUNTY PLANNING COMMISSION
SHELBY COUNTY ENGINEER
SHELBY COUNTY PLANNING COMMISSION
SHELBY COUNTY ENGINEER

STATE OF ALABAMA
I, _____, County Clerk of Shelby County, do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the County Clerk of Shelby County, Alabama.

EXHIBIT "D"

TO

SOUTHLAKE PARK



20080731000309270 69/73 \$227.00
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<u>Unit Description</u>	<u>Votes and Assigned Square Footage</u>	<u>% of Common Elements Ownership and Liabilities</u>
Building 1500 Unit 100	1500	0.1071
Building 1500 Unit 150	1500	0.1071
Building 1500 Unit 200	1500	0.1071
Building 1500 Unit 250	<u>1500</u>	0.1071
	6000	
Building 2000 Unit 100	2000	0.1429
Building 2000 Unit 150	2000	0.1429
Building 2000 Unit 200	2000	0.1429
Building 2000 Unit 250	<u>2000</u>	0.1429
	8000	
Total Square Footage	14,000	100%

EXHIBIT "D"

TO

SOUTHLAKE PARK




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<u>Unit Description</u>	<u>Votes and Assigned Square Footage</u>	<u>% of Common Elements Ownership and Liabilities</u>
Building 1500 Unit 100	1500	0.1071
Building 1500 Unit 150	1500	0.1071
Building 1500 Unit 200	1500	0.1071
Building 1500 Unit 250	<u>1500</u>	0.1071
	6000	
Building 2000 Unit 100	2000	0.1429
Building 2000 Unit 150	2000	0.1429
Building 2000 Unit 200	2000	0.1429
Building 2000 Unit 250	<u>2000</u>	0.1429
	8000	
Total Square Footage	14,000	100%

EXHIBIT "E"

SOUTHLAKE PARK

**Built-Out Budget
(68,000 Sq. Ft.)**


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ANNUAL INCOME

Maintenance Fee & Prepay 1.55 per square foot per year= \$105,400.00

Late Charges

Interest Income

Insurance Reimbursement

TOTAL INCOME: \$105,400.00

Built-Out Expenses

REPAIRS AND MAINTENANCE

GEN Repairs/Material/Supplies

Grounds Maintenance

Termite Inspection/Renewal

Total Repairs and Maintenance \$28,100.00

UTILITIES & SERVICE

Irrigation

Lighting, Parking, Entrance, Etc.

Trash/Waste Renewal

Water & Sewer Service

Total Utilities & Service \$31,300.00

GENERAL & ADMINISTRATIVE

Association Meeting

Bank/ Check/ Copy Charges

Postage & Misc. Charges

Total General & Administrative \$5,000.00

PROFESSIONAL FEES

**Legal, Accounting
Management Fees**

Total Professional Fees

\$12,500.00

INSURANCE

**Property Insurance
Liability Insurance, Broad Insurance, Etc.**

Total Insurance

\$19,000.00

REPLACEMENT RESERVES

**Roofing (15 yrs.) - \$5,000.00
Painting & Finishes (10 yrs.) - \$2,000.00
Paving & Misc. (10 yrs.) - \$2,500.00**

Total Replacement Reserves

\$9,500.00

TOTAL OF ALL EXPENSES

\$105,400.00




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EXHIBIT "F"


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SOUTHLAKE PARK

EASEMENTS, RESTRICTIONS, COVENANTS, CONDITIONS OF RECORD.

1. **Current Property Taxes due and payable on October 1 of each year.**
2. **Restrictions, covenants and conditions as set out in instrument(s) recorded in Inst. No. 2000-7407.**

"The Company hereby insures against any cost, loss or damage resulting from any determination by a court of competent jurisdiction that the improvement, use, or occupancy of the Subject Property, pursuant to the site plan prepared by Holcombe Norton Pritchett titled Schematic Site Plan, Byrom Building Corp., Providence Park II, Hoover, Alabama dated March 17, 2006, is in violation of said Declaration of Restrictive Covenants as recorded in Inst. No. 2000-7407 in said Probate Office."

3. **Transmission Line Permit(s) to Alabama Power Company as shown by instrument(s) recorded in Deed 129, Page 572 and Deed 216, Page 103.**
4. **Right-of-way granted to Alabama Power Company recorded in Deed 219, Page 734.**
5. **Right-of-way granted to SHELBY County recorded in Deed 177, Page 38.**
6. **Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including release of damages, are not insured herein.**
7. **Less and except any portion of subject land lying within the Highway Right-of-Way.**
8. **Election of Buffer Area pursuant to Covenants recorded in the Probate Office of Shelby County as Instrument No. 20061006000497300.**